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Proceedings

PROCEEDINGS

SECOND ANNUAL SESSION

NATIONAL BOARD OF TRADE

HELD IN BIRMINGHAM

DECEMBER, 1907

BOSTON

1908

WILLIAM C. BROWN, JR., SECRETARY
OF THE BOARD

PROCEEDINGS

OF THE

SECOND ANNUAL MEETING

OF THE

NATIONAL BOARD OF TRADE,

HELD IN RICHMOND,

DECEMBER, 1869.

BOSTON:

1870.

BARKER, COTTER & CO., PRINTERS,
14 STATE STREET.



WITH me it is a fundamental axiom, it is interwoven with all my opinions, that the great interests of the country are united and inseparable; that agriculture, commerce and manufactures will prosper together or languish together; and that all legislation is dangerous which proposes to benefit one of these without looking to consequences which may fall on the other.

DANIEL WEBSTER. — 1824.

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INTRODUCTORY NOTE.

THE following pages contain the proceedings of the second annual meeting of the National Board of Trade, as reported by the skilful phonographic pencil of Mr. YERRINTON. The speeches are given almost precisely as they were delivered, the Executive Council having instructed the Secretary not to allow them to be revised by their authors. The work has been shortened somewhat, by the abbreviation or omission of some of the discussions on points of order and other collateral questions; but nothing has been left out which, if permitted to stand, could have further illustrated the views of the meeting upon the various subjects presented for its consideration, or the processes by which it reached its decisions *pro* or *contra*, on them respectively.

Memorials have been sent, in conformity with the directions of the Board, to the Legislatures of those States in which laws exist discriminating against non-resident traders, and thus interfering with the freedom of the internal commerce of the nation. Several of the constituent bodies have indorsed the opinions of the Board on this important question, and have joined with it in urging upon the Legislatures concerned, the repeal of the laws which permit and encourage the inequalities and disabilities complained of. In the Appendix will be found those provisions of the United States Constitution which relate to commerce, trade and currency, to some of which reference was frequently made during the debates at Richmond, and to which the attention of delegates in future meetings will undoubtedly be often called. Following this extract from the organic law of the nation, an abstract of the State laws is given, relating to non-resident traders and to peddlers, the two classes in many States being treated by the statute as one; it is for the membership and for the country to judge how far the latter are in conformity with the letter or with the spirit of the former.

Memorials also have been addressed to Congress in behalf of the Niagara and Kanawha Canals, and asking for the establishment of a Department of Commerce, and a Marine Apprenticeship system, and for the modification of the law relating to the confiscation of vessels. Three of the memorials were sent in the precise language of the resolutions adopted by the Board; those on Local Trading Licenses, a Department of Commerce and Marine Apprenticeship, under the authority

of the Executive Council, sought to point out some of the controlling reasons which led to the action of the Board upon them ; these are published in the Appendix, and the membership is respectfully and earnestly requested to give the weight of local influence and effort in support of them and of the other measures which have received the sanction of the Board.

No general response has yet been received from the constituent bodies, to the resolutions of the Board recommending the compilation of trade statistics upon a comprehensive and uniform plan, and the collection and interchange daily, of trade reports showing the prices of and the movements in the leading products of the country. These topics will be considered at a meeting of the Executive Council shortly to be held in the city of Baltimore, and it is probable that they will be made the subject of a special communication from the Council to the membership.

H. A. H.

Boston, March 16, 1870.

CONSTITUTION

OF THE

NATIONAL BOARD OF TRADE,

ADOPTED AT PHILADELPHIA, JUNE 5, 1868,

AND AS SINCE AMENDED.

DECLARATION.

IN order to promote the efficiency and extend the usefulness of the various Boards of Trade, Chambers of Commerce, and other chartered bodies, organized for general commercial purposes, in the United States; in order to secure unity and harmony of action in reference to commercial usages, customs, and laws; and especially, in order to secure the proper consideration of questions pertaining to the financial, commercial and industrial interests of the country at large, this Association on this fifth day of June, 1868, is hereby formed by delegates, now in session in the city of Philadelphia, representing the following named commercial organizations, to wit:

Albany Board of Trade,	New York Chamber of Commerce,
Baltimore Board of Trade,	New York Produce Exchange,
Boston Board of Trade,	Oswego Board of Trade,
Boston Corn Exchange,	Peoria Merchants' Exchange,
Buffalo Board of Trade,	Philadelphia Board of Trade,
Charleston Board of Trade,	Philadelphia Commercial Exchange,
Chicago Board of Trade,	Pittsburgh Board of Trade,
Cincinnati Chamber of Commerce,	Portland Board of Trade,
Cleveland Board of Trade,	Providence Board of Trade,
Denver Board of Trade,	Richmond Chamber of Commerce,
Detroit Board of Trade,	St. Louis Board of Trade,
Dubuque Produce Exchange,	St. Louis Union Merchants' Exch.,
Louisville Board of Trade,	St. Paul Chamber of Commerce,
Milwaukie Chamber of Commerce,	Toledo Board of Trade,
Newark Board of Trade,	Troy Board of Trade,
New Orleans Chamber of Com.,	Wilmington, (Del.) Board of Trade.

And the following Constitution is adopted:

ARTICLE I.

SECTION 1. This Association shall be designated the NATIONAL BOARD OF TRADE.

ARTICLE II.

SECTION 1. Every local Board of Trade, Chamber of Commerce, or other body organized for general commercial, and not for special or private purposes, and duly chartered under State or National laws, shall be entitled to membership in this Association, on the approval of two thirds of the bodies represented at any meeting of the Association, and shall be accorded the following representation; Each such association having fifty members who have the right to vote therein, shall be entitled to one delegate; having one hundred members, two delegates; having three hundred members, three delegates; having five hundred members, four delegates; and for each additional five hundred members, one additional delegate.

SEC. 2. Delegates who shall in all cases be active members of not less than one year's standing of the respective bodies which they represent, shall be selected by the local organizations in such manner and for such term of not less than one year, as each may see fit. At each meeting of the Board they shall present credentials under seal from the Secretaries of their respective constituencies; these credentials shall certify the number of members authorized to vote then connected with the body which is claiming representation, and which may present or may have a copy of its charter on file in this Board.

ARTICLE III.

SECTION 1. Each delegate shall be entitled to one vote in person, but no voting by proxy shall be allowed. All votes, except for election of officers, shall be *viva voce*. Any delegate may demand a division of the house, and on the demand of three or more delegates, a call of the yeas and nays shall be had, the result of the same to be duly recorded.

ARTICLE IV.

SECTION 1. The administration of the affairs of this Board shall be vested in a President and fourteen Vice-Presidents, who shall be elected at the annual meeting by ballot on a majority of all the votes cast, and who shall serve until their successors are chosen.

Their election shall be the first business in order. They shall be constituted and known as an Executive Council, and five of their number shall be a quorum for the transaction of business. In the absence or disability of the President, a Vice-President, to be designated by his associates, shall serve.

SEC. 2. It shall be the duty of the Executive Council, immediately after their election, to select a Secretary and a Treasurer, (neither of whom shall be of their own number,) who shall hold office for such time, and who shall receive such compensation as the Council may determine.

SEC. 3. The offices of the Secretary and the Treasurer may be located at such places as the Council shall determine.

SEC. 4. Special meetings of the Council shall be held on the call of seven members thereof, at such place as they may designate, on twenty days' notice to be given by the Secretary.

SEC. 5. In case of the removal, resignation, or death of any member of the Council, his place for the unexpired term, shall be promptly filled by the constituent association of which he was a member.

ARTICLE V.

SECTION 1. It shall be the duty of the Executive Council :

1st. To provide for full and accurate records of the proceedings of the Board and of its own meetings.

2nd. To submit to each annual meeting a report of the doings of the Board and of its own official acts, as well as a statement of what new or unfinished business may require attention.

3rd. To make full statement concerning the finances of the Board to the annual meetings, and to other meetings, when called on to do so.

4th. To apportion to each constituent body, its assessment for the expenses of the Board, as provided elsewhere.

5th. To make such recommendations as it may deem to be necessary for the welfare and to promote the objects of the Board.

SEC. 2. The Secretary shall conduct the official correspondence, and shall make and have charge of the records of the Board and of the Executive Council.

SEC. 3. The Treasurer shall give such security as the Executive Council may require, receive and account for all moneys belonging to the Board, and collect assessments and fines, but he shall pay out money and dispose of the property of the Board only on a warrant of the Secretary, countersigned by the President.

ARTICLE VI.

SECTION 1 A meeting of the National Board of Trade shall be held on the first Wednesday in December of each year, at such place as shall have been determined upon at a previous meeting, on the majority vote of all the constituent bodies represented.

SEC. 2. Special meetings may be held on the call of eight members of the Executive Council, at such place as they may designate.

SEC. 3. The attendance of forty delegates shall constitute a quorum.

SEC. 4. Notice of the annual or other meetings shall be served by the Secretary on each constituent body at least thirty days before the time appointed for assembling. The notice shall state the objects of the meeting, and the questions to be considered.

SEC. 5. A meeting of the Executive Council shall be held on the day preceding the day of any meeting of the Board and at such other times as may be provided in its By-Laws.

ARTICLE VII.

SECTION 1. The expenses of the Board shall be provided for by an assessment to be made by the Executive Council on each constituent body, according to the ratio of its officially reported membership.

ARTICLE VIII.

SECTION 1. Questions or resolutions, except those which involve points of order, or refer to matters of courtesy, can be submitted only by the constituent bodies of the Board or by the Executive Council; and when any constituent body shall desire to present a subject for the consideration of the Board, it shall do so in a written paper to

be placed in the hands of the Secretary at least forty days previous to the annual or special meeting at which it is to be considered: *Provided, however,* That any subject not thus submitted may be considered and acted upon by a vote of two-thirds of the delegates present.

ARTICLE IX.

SECTION 1. Any constituent body charged with a violation of the laws of this Board may, after formal complaint thereof in writing, on a vote of two-thirds of all the delegates of the other bodies represented herein, be expelled; but it shall not be exempted from the payment of assessments levied for the year current.

SEC. 2. Any constituent body may withdraw from membership in the Board on submitting a formal request to that effect at an annual meeting, and on full payment of all dues.

ARTICLE X.

SECTION 1. This Constitution may be amended at an annual meeting, on a vote of two-thirds of the delegates present; notice of the proposed amendment having been first submitted to the Secretary by a constituent body, at least forty days previous to the meeting at which the same is to be considered, and transmitted by the Secretary in circular copies to each constituent body at least thirty days before said meeting.

ARTICLE XI.

SECTION 1. This meeting of delegates, called in accordance with the plan of preliminary organization adopted by the Commercial Convention held in Boston on the fifth day of February last, shall be regarded as the first meeting of the National Board of Trade, and is hereby empowered to choose officers, to serve until their successors shall be elected, and to act upon all papers and resolutions laid before it, the same to be considered as having been submitted in the form and manner required by this Constitution.

BY-LAWS.

No. 1. A vote of two-thirds of the delegates present shall be necessary to carry the approval of the Board upon any proposition which may appear, or which may be placed upon the official programme.

No. 2. The annual assessment laid by the Executive Council shall be considered as due at the beginning of the year; and no constituent body shall be represented at any meeting of the Board, unless its assessment then due shall have been paid.

No. 3. The Executive Council shall recommend at each annual meeting the place at which it judges it to be expedient that the next annual meeting shall be held.

OFFICERS FOR 1870.

PRESIDENT.

FREDERICK FRALEY, *Philadelphia.*

VICE-PRESIDENTS.

ROBERT R. KIRKLAND, *Baltimore.*

AVERY PLUMER, *Boston.*

GEORGE S. HAZARD, *Buffalo.*

WILLIAM L. TRENHOLM, *Charleston.*

WILEY M. EGAN, *Chicago.*

JOHN A. GANO, *Cincinnati.*

GEORGE F. BAGLEY, *Detroit.*

J. J. PORTER, *Louisville.*

EDWARD D. HOLTON, *Milwaukee.*

GEORGE OPDYKE, *New York.*

JOHN B. BROWN, *Portland.*

DAVID I. BURR, *Richmond.*

L. R. SHRYOCK, *St. Louis.*

J. W. TAYLOR, *St. Paul.*

SECRETARY and TREASURER.

HAMILTON A. HILL, *Boston.*

OFFICERS FOR 1878

PRESIDENT

WILLIAM L. HARRIS

VICE-PRESIDENT

JOHN W. HARRIS

JOHN W. HARRIS

JOHN W. HARRIS

JOHN W. HARRIS

JOHN W. HARRIS

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JOHN W. HARRIS

JOHN W. HARRIS

SECRETARY AND TREASURER

WILLIAM L. HARRIS

MEMBERS OF THE NATIONAL BOARD OF TRADE.

NAMES.	Date of Organization.	Date of Incorporation.	Reported Membership, January, 1870.	President, 1870.	Secretary, 1870.
Albany Board of Trade.....	1847	1864	307	L. Merchant.....	W. Lacy.
Augusta, (Ga.,) Board of Trade.....	..	1869	70	E. Thomas	A. C. Ives.
Baltimore Board of Trade.....	1849	1852	425	A. Schumacher...	G. U. Porter.
Baltimore Corn and Flour Exchange.	1855	1855	490	P. P. Pendleton...	W. F. Wheatley.
Boston Board of Trade.....	1854	1854	684	A. H. Rice.....	H. A. Hill.
Boston Corn Exchange.....	1855	1868	340	E. H. Sampson...	E. Kemble.
Buffalo Board of Trade.....	1844	1857	400	S. S. Guthrie.....	W. Thurstone.
Cairo Chamber of Commerce.....	1865	1865	70	G. D. Williamson..	L. Mathews.
Charleston Board of Trade.....	1866	1866	190		H. Baer.
Chicago Board of Trade.....	1848	1859	1241	J. M. Richards....	C. Randolph.
Cincinnati Board of Trade.....	1869	1869	324	M. Greenwood....	H. H. Tatem.
Cincinnati Chamber of Commerce...	1839	1850	1202	J. A. Gano.....	J. M. W. Neff.
Cleveland Board of Trade.....	1847	1866	212	G. W. Gardner....	J. C. Sage.
Denver Board of Trade.....	1867	..	80	W. M. Clayton....	R. W. Woodbury.
Detroit Board of Trade.....	1856	1863	244	C. A. Sheldon....	R. Haddock.
Dubuque Board of Trade.....	1868	1868	103	W. Westphal.....	T. L. Bowman.
Galveston Chamber of Commerce....	1865	1866	150	T. H. McMahan...	S. A. Edgerley.
Louisville Board of Trade.....	1862	1862	540	J. J. Porter.....	J. B. Maynard.
Memphis Chamber of Commerce....	1860	1860	300	F. A. Nelson.....	W. L. Trask.
Milwaukie Chamber of Commerce...	1858	1868	372	A. Smith.....	W. J. Langson.
Newark Board of Trade.....	1868	1869	200	H. W. Duryee....	R. S. Sworde.
New Orleans Chamber of Commerce.	1834	1834	150	G. A. Fosdick	A. C. Waugh.
New York Chamber of Commerce....	1768	1770	804	W. E. Dodge.....	G. Wilson.
New York Produce Exchange.....	1843	1862	1854	S. D. Harrison....	R. S. Holt.
Norfolk Merchants and Mech's Ex'ge.	1858	1868	100	W. Lamb.....	M. Glennan.
Oswego Board of Trade.....	1849	1868	125	R. F. Sage.....	H. C. Stillman.
Petersburg Commercial Exchange...	..	1869	55	J. E. Venable.....	C. Jones.
Philadelphia Board of Trade.....	1833	1838	1013	J. Welsh.....	A. J. Perkins.
Philadelphia Commercial Exchange.	1853	1863	695	J. H. Michener...	G. R. Tisdale.
Pittsburgh Board of Trade.....	1854	1854	300	G. H. Thurston...	T. Wickersham,
Portland Board of Trade.....	1853	1854	266	W. S. Dana.....	M. N. Rich.
Providence Board of Trade.....	1868	1868	340	H. Lippitt.....	F. P. Little.
Richmond Chamber of Commerce...	1867	1868	302	D. I. Burr.....	P. G. Coghlan.
Richmond Corn and Flour Exchange.	..	1867	142	L. D. Crenshaw...	P. G. Coghlan.
St. Louis Board of Trade.....	1866	1866	632	L. R. Shryock....	H. Senter.
St. Louis Union Merchants Exchange.	1862	1863	1250	W. J. Lewis.....	G. H. Morgan.
St. Paul Chamber of Commerce....	1867	1867	200	J. C. Burbank....	O. E. Dodge.
San Francisco Chamber of Commerce.	1850	1868	239	J. Otis.....	C. T. Hopkins.
Troy Board of Trade.....	1863	1868	401	P. E. Toles.....	J. F. Calder.
Wilmington, (Del.,) Board of Trade..	1837	1869	136	E. Betts.....	G. W. Stone.

SECOND ANNUAL MEETING
OF THE
NATIONAL BOARD OF TRADE.

FIRST DAY.

WEDNESDAY, DECEMBER 1, 1869.

THE Second Annual Meeting of the National Board of Trade was held in the city of Richmond, on Wednesday, December 1, 1869, and following days, and was attended by delegates from nearly all the commercial organizations composing the Board.

The meetings were held in the chamber of the House of Delegates, at the Capitol, the sessions commencing at noon on Wednesday, the first of December. The Board was called to order by the President, Mr. FREDERICK FRALEY, of Philadelphia, who said:

Gentlemen:—By the good providence of God, we have been brought in health and safety to this beautiful city, to enter again upon the labors which the constituent bodies have entrusted to our charge. It is appropriate and fitting that we should make our thankful acknowledgments to Almighty God for the favor with which He has thus blessed us, and to ask for His continued protection and blessing upon our labors. I have the pleasure of introducing to you the Rev. Dr. MINNEGERODE, of Richmond, who will open this meeting with prayer.

The Rev. C. E. MINNEGERODE, Rector of St. Paul's Church, offered an earnest and impressive prayer, in the fervent utterances of which the delegates devoutly joined.

Mr. THOMAS W. McCANCE, of the Richmond Chamber of Commerce, then said :

Mr. President:—The absence of Mr. BURR, President of the Chamber of Commerce of this city and Chairman of the Delegates to this body, imposes upon me the duty of welcoming the National Board of Trade to this city. The call upon Mr. BURR to leave home was sudden and imperative ; but he left his greeting to this Board, in the paper which I hold in my hand, which I ask may be read, in order that it may become a part of the record of your proceedings.

The paper was read by Mr. JOHN BELL BIGGER, one of the Assistant Secretaries, as follows :

Mr. President and Gentlemen of the National Board of Trade:—Before you proceed to the regular business which has convened this Board, I beg leave to perform a most agreeable duty on behalf of the members of the Richmond Chamber of Commerce, and, I may add, of this community.

We desire, in a few sincere and earnest words, to express the gratification with which we meet you here in the capital of the Old Dominion. We receive you with a warm greeting which comes from our hearts, and tender you a most cordial welcome. It shall be our endeavor to make you feel entirely at home among us, as much so as you can feel anywhere, except it may be at your own firesides, surrounded by those familiar faces which lend to home its brightest attractions ; and we greet you thus not only personally, but as the representatives of so many communities of our countrymen, scattered over every part of this broad and now happy, peaceful land. It is a double pleasure to have this opportunity to cultivate with them that spirit of fraternity which should animate this whole people,—the descendants of a common ancestry, the possessors of a common heritage, once more moving together towards a common destiny,—and we bid you thrice welcome, for the cause and the work in which you are engaged.

These United States, though of such rapid growth, and arrived at such high prominence among the nations of the earth, are yet in the freshness of their youth. As they mature, questions of commercial and financial policy are constantly arising, vitally important in their bearing upon the general welfare, and requiring combined wisdom and patriotism so to decide them as to subserve the highest interests of the people. No labor or counsel can be of more value at this day than such as is devoted to the wise direction of public sentiment in connection with these measures.

Commerce and intercourse are the pioneers of peace and plenty. As they advance, prosperity follows in their path, and discord and strife disappear. Upon their aid we must mainly rely for that spirit of enterprise and amity which shall break down the natural and artificial barriers now dividing these States into sections; for the strength and endurance of those ties which should unite the whole people in the bonds of peace and brotherhood, and for the future wealth and power of the nation.

We trust that your labors may bear abundant fruit, and that your sojourn with us may be the source of many cherished memories hereafter.

DAVID I. BURR,

President Richmond Chamber of Commerce.

The Secretary, Mr. HAMILTON A. HILL, then read the roll of delegates, as follows:

Board of Trade, Baltimore.

Robert R. Kirkland, Francis B. Loney,
John R. Seemuller.

Corn and Flour Exchange, Baltimore.

Israel M. Parr, James R. Herbert,
W. Taylor Hall.

Board of Trade, Boston.

Joseph S. Ropes, Albert Thompson,
James A. Dupee, John L. Bremer.

Corn Exchange, Boston.

Eugene H. Sampson, Avery Plumer,
Samuel G. Bowdlear.

Board of Trade, Buffalo.

James D. Sawyer, P. S. Marsh,
George S. Hazard.

Board of Trade, Charleston.

W. S. Hastie, W. L. Trenholm.

Board of Trade, Chicago.

Jesse M. Richards, Wiley M. Egan,
Samuel H. McCrea, John C. Dore,
George M. How.

NATIONAL BOARD OF TRADE.

Chamber of Commerce, Cincinnati.

John A. Gano,	William Hooper,
Theodore Cook,	S. Lester Taylor,
James F. Torrence.	

Board of Trade, Detroit.

George F. Bagley,	Richard Hawley.
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Board of Trade, Dubuque.

T. M. Monroe,	George W. Jones.
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Board of Trade, Louisville.

Julius Barkhouse.

Chamber of Commerce, Memphis.

J. T. Trezevant,	Robertson Topp,
Anderson B. Morrison.	

Chamber of Commerce, Milwaukee.

Matthew Keenan,	Edward D. Holton,
W. M. Brigham.	

Board of Trade, Newark.

Thomas W. Dawson,	David Campbell.
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Chamber of Commerce, New York.

George Opdyke,	James S. T. Stranahan,
Hiram Walbridge,	Simeon B. Chittenden.

Produce Exchange, New York.

Stephen D. Harrison,	Augustus E. Masters,
Edwards W. Coleman,	Gilbert Oakley,
James Lyttleton Adams.	

Board of Trade, Norfolk.

Robert W. Hughes,	V. D. Groner.
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Board of Trade, Philadelphia.

Frederick Fraley,	Joseph C. Grubb,
Samuel G. Stokes,	J. Price Wetherill,
David C. McCammon.	

Commercial Exchange, Philadelphia.

William B. Thomas,	E. Harper Jeffries,
Thomas Allman,	P. B. Mingle.

Board of Trade, Portland.

John B. Brown,

H. J. Libby.

Chamber of Commerce, Richmond.

David I. Burr,

C. S. Carrington.

Board of Trade, St. Louis.

M. R. Cullen,

M. A. Bryson,

Clinton B. Fisk,

Lee R. Shryock.

Chamber of Commerce, St. Paul.

J. W. Taylor,

W. B. Litchfield.

Board of Trade, Wilmington.

Francis Barry,

William H. Swift.

The PRESIDENT : There is a quorum of the delegates present. The first business in order will be the report of the Executive Council, according to the plan adopted last year. If there be no objection, it will now be read.

The Secretary read the report, as follows :

In presenting its annual report at this time, as prescribed by the Constitution, the Executive Council would congratulate the representatives of the associated bodies here assembled, upon the many evidences of local and of national prosperity which we have been permitted to witness during the year now closing.

Since our meeting, twelve months since, in the city of Cincinnati, several Commercial Conventions have been held, in which the citizens of the South and West especially, have had opportunity to confer together in reference to the improvement and multiplication of transportation facilities by land and by water, and to other subjects bearing upon our material growth and development. The organization of the National Board of Trade has not, perhaps, done away with the necessity for such Conventions ; and it need hardly be said that they are not adapted to secure the objects for the attainment of which this Board was brought into existence. They are called usually for purposes more or less local ; this is designed to be strictly national in all its action. They are temporary in their character ; this is continuous and permanent. They are useful in directing attention to the importance of projected lines of communication, or other schemes of improvement ; this is charged with the duty of carefully deliberating upon questions of commercial policy. In a word, they are popular, and this is representative ; and being thus diverse in their operation,

both they, probably, and this, will be needed in the future to give proper form and full maturity and timely expression to public sentiment on any question relating to the general industry of the country.

The official programme for the present meeting furnishes an apt illustration of the precise aims and purposes of this Board. It contains six or eight propositions looking to uniformity in the laws and usages of our domestic trade, such as the inspection, measurement and weight of commodities, the conveyance of real property, the relations between debtor and creditor, the regulation of joint stock companies, and the legal rate for the use of money. In all these particulars, variations now exist as between both different states and different cities and communities, which are not only always embarrassing, but often times positively hurtful. There are also state and municipal enactments which discriminate against non-resident traders, and which thus assume to regulate and control commerce to the degree to which they are in force; these are pronounced "injurious, if not unconstitutional," by one of our associated Boards.

Since the last meeting of the Board, no action has been taken by Congress looking to the adoption of the cental system for the measurement of grain. A bill was introduced proposing that all agricultural products be sold by weight, but it has not yet become a law. It is hoped that the Board will not remit its efforts to secure uniformity in this matter.

There is, perhaps, a divergence of opinion among us as to the limitations of congressional authority to promote and to enforce that uniformity in trade regulations, and that facility of intercommunication which we all admit to be so desirable. But in several of the instances before us, much, if not the whole, may be obtained without the aid of Congress, by the efforts of this Board, seconded and sustained by the constituent bodies; what the nature of these efforts shall be, it is for the Board to determine.

Other propositions on the programme, equally important with those already referred to, are altogether in consonance with the declared object of this Board, "to secure unity and harmony of action in reference to commercial usages, customs and laws;" that is to say, *to systematize and to nationalize all our domestic industry*. They relate to the currency, to banking and to the tariff, which last, it is urged, should be rendered just and equal to every class of the community. It would be difficult to overestimate the importance which attaches to these questions in our country at this time; and they deserve, and doubtless will receive, the careful attention of the Board.

There are recommendations, also, pointing in the same general direction, which contemplate the compilation of statistical and other reports, by the constituent bodies, and their dissemination through this organization. This, if successfully carried out, would render available for the various Boards and Chambers a vast amount of information which each one has it in its power to collect; and, by bringing all into better acquaintanceship with each other, would prepare the way for more complete uniformity of practice, and for a closer unity of action.

The Executive Council held a two-days' session in the city of New York, in the month of March, and considered various questions which had been submitted to it by the constituent bodies. The results of its deliberations are embodied in Circular No. 6, issued by the President and Secretary under date of March 27; and its recommendations, supported by several of the constituent bodies, appear on the official programme. Among these is a proposition to amend the second article of the Constitution, which, perhaps, requires a word of explanation. A communication signed by a large number of the delegates in attendance at Cincinnati, was presented to the Council, requesting its attention to the desirableness of prescribing the qualifications of the delegates who represent the constituent bodies at the meetings of the Board. After a full discussion of the subject, the Council considered it inexpedient to advise any positive action; judging that it would be sufficient to suggest respectfully to the membership, the very great importance of selecting, at all times, as representatives of the business interests of the country, those who by their direct communication with these interests, are the best qualified to promote the practical objects of this organization. It decided, however, to propose the amendment now before the Board, which, if adopted, will require delegates to be in all cases, active members of the respective bodies which they represent.

The membership of the Board comprises thirty-seven constituent bodies, and these include upwards of sixteen thousand of the business men of the country. It is understood that several applications for admission to the Board will be made at this time. The Board of Trade of Toledo, has presented a formal request to withdraw; the Merchants' Exchange, of Peoria, made a similar request early in the year, in a letter addressed to the Secretary; and saying that at some future time, when it shall be on a different footing than at present, it will, probably, apply for a new connection with our Board, with the aim and objects of which it expresses hearty concurrence. These papers are placed before the Board for its action.

At its meeting in New York, the Executive Council gave leave of absence to the Secretary to visit Europe during the summer months ; and he, while in London, as a representative of the National Board, was most courteously and hospitably entertained by the Association of Chambers of Commerce of Great Britain. Much interest was manifested by the gentlemen connected with that influential body, in the establishment and in the prosperity of this Board, so nearly akin in its objects to their own ; and many cordial wishes were expressed for our continued activity and usefulness. One of the members of Parliament for Liverpool, proposed the following sentiment : “ Success to the National Board of Trade of the United States. May its efforts be successful in promoting the interests of commerce generally throughout that great country, and its extension with other nations.”

The English Association has addressed no written communications to the Board ; but its officers assured the Secretary of its readiness to enter into correspondence with us whenever it may be agreeable to us to do so. The consideration which is given by the public men of Great Britain to its expressions of opinion upon commercial questions, and its evidently beneficial influence upon the commercial legislation of that country, encourage us to hope that our own association will be found serviceable, in a similar way in the United States.—

The PRESIDENT : *Gentlemen* :—I feel that, as a fitting tribute to the memory of Mr. BRANCH of this place, who was associated with us as a Vice-President, we should hear the next paragraph of the report standing and in silence.

The delegates rose, and the Secretary continued :

The Executive Council cannot close its report without expressing its sense of the loss which the Board has recently sustained in the sudden and lamented death of one of its Vice-Presidents, Mr. JAMES R. BRANCH, of this city. Of the many excellent personal and public qualities of this gentleman, it is unnecessary for the Council to speak, especially in the midst of this community in which he was so well known and so highly appreciated. It is proper, however, that allusion be made to the active participation of Mr. BRANCH in the proceedings which led to the formation of this Board in the city of Philadelphia, and in the discussions at the annual meeting in Cincinnati, as well as to the service which he performed as a member of the Executive Council. It is safe to say that no delegate has taken more satisfaction than he in the origin of the Board, and in its action to the time of his death. We cannot forget, also, his urgent desire that the

present meeting should be convened in the city of his residence, or his unaffected manifestation of pleasure in the prospect of giving us a personal welcome to Richmond, as, if he had lived, he would have done with a warm and full heart. His last official utterances in connection with this Board were at a dinner, at which the Council was entertained by the New York Produce Exchange, when he took occasion to testify with much earnestness to the general advantages which he believed would continue to result from the establishment of this Board, and to the benefits which he had himself derived from the opportunities afforded through it for becoming acquainted with his brother merchants from every part of the country, saying, among other things, that each time he attended these meetings he felt himself "a broader gauged man" than before. His remarks at Philadelphia and Cincinnati appear in our published proceedings. It is to be regretted that the words which he spoke in New York so hearty, so liberal and so patriotic, survive only in the impression which they made upon those who listened to them. He is not here to-day to extend to us the greeting which he promised. We miss the "touch of the vanished hand, and the sound of the voice that is still;" but we are glad that we have known him; that he has been associated with us in this Board; and that, at his instance, we have met in this good city, where we have been received by his friends with so much cordiality, and where we may fittingly pay this tribute of respect to his memory.

The associate bodies have good reason to congratulate themselves upon the favor with which the announcement of the establishment of this Board has been received by the country at large. There appears to be a general disposition to give careful attention to the views which the Board may express, and our proceedings at the present time particularly will be closely scrutinized. It becomes us, therefore, both in the selection of topics which we allow to come before us, and in our method of treating them, no less than in the decisions which we may finally reach in reference to them, to remember our responsibility as individuals to those who have sent us here, and our obligations as citizens to the beloved nation whose best prosperity we all desire to promote. Respectfully submitted.

Richmond, November 30th, 1869.

The PRESIDENT: There is a Supplementary Report of the Executive Council, which will now be read.

The Executive Council begs respectfully to recommend to the Board the adoption of the following order of procedure in the transaction of business at the present annual meeting:

- 1st. The call of the roll.
- 2nd. The reading of the reports of the Executive Council and the Treasurer.
- 3rd. The election of officers.
- 4th. The reception of papers from associations seeking admission to membership, to be referred to a Committee on Credentials, to consist of five delegates, which shall have leave to sit during the sessions of the Board.
- 5th. The reception of letters from associations seeking to withdraw from the Board, to be referred to the same Committee.
- 6th. The consideration of the subjects on the official programme, and in the order in which they are there placed.

The Secretary presented his report as Treasurer for the year ending November 30, 1869, showing the receipts of the Board for this period, including the balance on hand at the beginning of the year, to have been \$7,805.72, and the expenditures \$7,147.73, and leaving a balance in the Treasury of \$657.99. The account had been audited and certified to as correct, by a Sub-Committee of the Executive Council.

The PRESIDENT: The next business in order is the election of President and Vice-Presidents. I will request Mr. BAGLEY, of Detroit, to take the chair while the election is proceeding.

The PRESIDENT, *pro tem.*: What is the pleasure of the Board?

Mr. HAZARD: I move that we now proceed to the election of President of the National Board of Trade.

This motion prevailed, and Mr. HAZARD said:

I now nominate the Hon. FREDERICK FRALEY, of Philadelphia, for our President for the ensuing year. I need not say a word in recommendation of Mr. FRALEY, for I believe that there is hardly a man in this room who would not second this motion.

It was voted to proceed with the election, and Messrs. How, of Chicago, HAZARD, of Buffalo, and GANO, of Cincinnati, were appointed a Committee to collect and count the votes.

The Committee reported as follows :

Whole number of votes,	51
S. D. Harrison, of New York,	1
J. S. T. Stranahan, of New York,	1
Frederick Fraley, of Philadelphia,	49

THE PRESIDENT, *pro tem.*: FREDERICK FRALEY, of Philadelphia, having received a majority of all the votes cast, is duly elected President of this Board for the ensuing year.

Mr. STRANAHAN: It has just been suggested to me, that a vote having been cast for me, it becomes my duty to propose that this vote be made unanimous, which I do with a great deal of pleasure.

Carried.

Mr. STRANAHAN: I move the appointment of a Committee to wait upon Mr. FRALEY, and conduct him to the chair.

Mr. HOLTON: I move that the two gentlemen who received one ballot each be appointed that Committee, as a balm to their feelings. (Laughter.)

The Chair appointed the gentlemen referred to (Messrs. STRANAHAN and HARRISON,) as the Committee, who left the hall, and soon returned with Mr. FRALEY, whom they escorted to the chair.

THE PRESIDENT, *pro tem.*: I suppose there is no need of introducing Mr. FRALEY. You already know him very well.

ADDRESS OF THE PRESIDENT.

Gentlemen:—I can hardly find words to express my acknowledgments for this additional mark of your confidence and your respect. All my associations with this Board, and with the Conventions which preceded it, and out of which it sprung, have been so warm that I can hardly find any words of sufficient power or significance to express what I really feel about it. During the whole of my life, I have been connected with the commercial and industrial interests of this country. I have seen them in their infancy; I have seen them grow up to vigorous manhood. I have seen them spread throughout the length and breadth of our beloved country. I have seen commerce change its old residences and become transferred to new places. I

have seen manufactures spring up in many parts of the land, until they have become a great and permanent interest in the country, calling continually for our sympathy, and for our support, just in the same way, to the same extent, and having the same claims to justice and equality, that the agriculture and commerce of the country had; and I have seen a willingness on all hands, and in all quarters, to blend these great interests of the country in perfect harmony together, so that what may be best for one shall really, upon the true foundations of national prosperity, be the best for all. And now I see here gathered again before me those whom for the last four or five years I have been greeting in various quarters of this country, all animated by the same spirit that brought us together at Detroit, at Boston, at Cincinnati, at Philadelphia; and I am glad to find that God continues His blessings upon you, my brethren, giving you health and vigor, additional knowledge, additional intelligence to grapple with the questions that are to be brought before us to be considered, weighed and settled; and I am sure that the conclusions which you will reach, as the result of your deliberations, will have an influence, not only upon the people of the country, but in directing and guiding our national legislation, and that out of the labors of this National Board of Trade shall ultimately come such expressions of public opinion in regard to the true interests of the country that no public man, whether he be the mere politician of the day, or the professional man who occupies a place in the legislative halls of the nation, or any one entrusted with power or privileges by the people, shall fail to recognize their weight and their authority.

Thanking you, gentlemen, for this continued manifestation of your confidence, and pledging myself to the extent of my feeble abilities, to aid you in the great work that you have taken in charge, I now take my seat, to preside, for this term, over the deliberations of the body. (Loud applause.)

Mr. STRANAHAN: I move that the recommendations of the Executive Council, in regard to the order of business, be adopted.
Carried.

The PRESIDENT: The next business in order is the election of Vice-Presidents.

Mr. SAMPSON: I move that we now proceed to the election of Vice-Presidents. Last year, the roll was called by States, and the several delegations presented the names of their candidates, as they were called upon.

Mr. EGAN : I move that each delegation have the privilege of nominating its own Vice-President.

The PRESIDENT : I would remind my friend from Chicago that there are more constituent bodies in number than there can be Vice-Presidents of the Board.

Mr. EGAN : I understand that ; but the Board will decide who shall be elected by its ballots.

The PRESIDENT : That would be equally proper. The proposition, however, is to nominate by States. Mr. EGAN moves an amendment, that each delegation in this body shall nominate a candidate for Vice-President.

The question was put, and Mr. EGAN's amendment adopted. The motion, as amended, was then adopted.

Mr. WETHERILL : I desire to say, as a representative of Pennsylvania, that inasmuch as this Board has done us the high honor to put you, sir, in the Chair, our State will not nominate any Vice-President.

The following gentlemen were then nominated as candidates :

By the Baltimore Board of Trade, and the Baltimore Corn Exchange — ROBERT R. KIRKLAND.

By the Boston Board of Trade, and Boston Corn Exchange — AVERY PLUMER.

By the Buffalo Board of Trade — GEORGE S. HAZARD.

By the Charleston Board of Trade, Newark Board of Trade, New York Chamber of Commerce, and New York Produce Exchange — GEORGE OPDYKE.

By the Chicago Board of Trade — WILEY M. EGAN.

By the Cincinnati Chamber of Commerce — JOHN A. GANO.

By the Detroit Board of Trade — GEORGE F. BAGLEY.

By the Dubuque Board of Trade — J. W. TAYLOR.

By the Louisville Board of Trade — J. J. PORTER.

By the Milwaukie Chamber of Commerce, and St. Paul Board of Trade — EDW. D. HOLTON.

By the Norfolk Commercial Exchange, and Richmond Chamber of Commerce — DAVID I. BURR.

By the Portland Board of Trade — JOHN B. BROWN.

By the St. Louis Board of Trade — LEE R. SHRYOCK.

Mr. STRANAHAN nominated W. L. TRENHOLM, of Charleston, S. C., making the constitutional number, fourteen.

On motion of Mr. WALBRIDGE, the nominations were closed, and the Chair appointed Messrs. How, of Chicago, and WETHERILL, of Philadelphia, a Committee to collect the ballots and count the same.

The PRESIDENT: While the tellers are making up their count, I will ask the Secretary to read a communication which I have just received from the Richmond Chamber of Commerce, covering a letter from the Western Union Telegraph Company.

The letter extended to the delegates, during the sessions of the Board, the free use of the wires for their family and social messages.

On motion of Mr WALBRIDGE, the thanks of the Board were unanimously tendered to the Western Union Telegraph Company for this courtesy.

The PRESIDENT: There is another matter which we may now act upon, to facilitate our work. In the order of business, it is provided that a Committee on Credentials shall be appointed, to whom all applications for admission to membership shall be referred, and to whom, also, shall be referred the applications of constituent bodies asking leave to withdraw. Is it your pleasure that such a Committee shall be appointed?

On motion, a Committee of five was ordered on Credentials, and the Chair announced the following gentlemen as the Committee:

G. M. How, Chicago,
A. E. MASTERS, New York, C. S. CARRINGTON, Richmond,
W. M. BRIGHAM, Milwaukie, H. J. LIBBY, Portland.

The Committee appointed to collect the votes for Vice-Presidents, submitted their report, as follows:

Whole number of votes cast,	52
Robert K. Kirkland, of Baltimore, had	51
Avery Plumer, of Boston,	50
George S. Hazard, of Buffalo,	50
George F. Bagley, of Detroit,	52

George Opdyke, of New York, . . .	49
Wiley M. Egan, of Chicago, . . .	52
John A. Gano, of Cincinnati, . . .	50
J. W. Taylor, of St. Paul, . . .	42
J. J. Porter, of Louisville, . . .	52
Edw. D. Holton, of Milwaukee, . . .	50
David I. Burr, of Richmond, . . .	52
John B. Brown, of Portland, . . .	49
L. R. Shryock, of St. Louis, . . .	50
W. L. Trenholm, of Charleston, . . .	51
Matthew Keenan, of Milwaukee, . . .	1
George A. Fosdick, of New Orleans, . . .	6
William M. Brigham, of Milwaukee, . . .	1
J. P. Wetherill, of Philadelphia, . . .	2

The President declared the fourteen gentlemen first named, duly elected Vice-Presidents of the Board for the ensuing year.

Mr. CARRINGTON presented the applications of the Richmond Corn and Flour Exchange, the Petersburg Merchants' Exchange and the Augusta Board of Trade, for membership in the National Board, and moved the reference of the papers to the Committee on Credentials. Carried.

Mr. WALBRIDGE: I ask the unanimous consent of the Board to make a few remarks in reference to the condition of the South. I should trespass very briefly on the attention of the body.

The PRESIDENT: The object of the gentleman from New York can only be reached in another way, — by voting to postpone the order of business, that he may be heard.

Mr. CULLEN: I move that the order of business be postponed for that purpose.

The Chair declared the motion lost, when a division was called for.

Mr. WALBRIDGE: It is proper for me to state, that my purpose was to make some remarks in favor of the South, and by expressing the opinions which I entertain, in reference to that section of the country, I thought that at the beginning of the session a salutary effect might be secured.

The question was again put, and the motion to postpone the order of business was carried by a vote of 26 to 12.

Mr. WALBRIDGE then addressed the Board at some length.

Mr. JONES : I move that when this body adjourn, it be to meet this afternoon at half-past three o'clock.

Carried.

On motion of Mr. HOLTON, the Board then adjourned.

AFTERNOON SESSION.

The Board met at 4 o'clock, the President in the chair.

Mr. JEFFRIES offered the following resolution :

Resolved, That no delegate shall speak more than ten minutes on any question, without leave of the Board, nor more than twenty minutes without unanimous consent.

Carried.

Mr. WETHERILL : I believe that afternoon sessions will not be fully attended, and I therefore move that our sessions hereafter commence at 10 o'clock in the morning and close at 4 in the afternoon. We tried that plan at Cincinnati and found it to work well. I am satisfied, from present appearances, that afternoon sessions will not be a success.

The motion of Mr. WETHERILL was agreed to.

Mr. BAGLEY : I offer the following resolution :

Resolved, That so much of the Report of the Executive Council as refers to the death of the late JAMES R. BRANCH of this city, be engrossed, signed by the President and Secretary of this Board, and transmitted to the family of the deceased.

Adopted.

Mr. GANO: I submit the following resolution:

Resolved, That no written speech shall be published as part of the proceedings of the Board, except at the expense of the person delivering it, or of the constituent body which he may represent; and that no speech shall be published excepting those officially reported as pertaining to the direct business of the Board.

Adopted.

Mr. HOW: The Committee on Credentials have received a communication from the San Francisco Chamber of Commerce, and I am informed by the Secretary that their charter, together with a certificate of membership duly sealed, is in his possession; and that Messrs. C. J. DEMPSTER and J. B. THOMAS are accredited delegates to this Board. The Committee, therefore, recommend that the Chamber of Commerce of San Francisco be elected a member of this Board, and that the gentlemen named be admitted if they are in attendance.

Agreed to.

Mr. HOW: We have three communications asking leave to withdraw. One is from Peoria, dated February 17, 1869, soon after our annual meeting. The communication is signed by Mr. MCKINNEY, the Secretary, saying that the Exchange is not in very good condition at present; but he remitted the dues for the year 1868. The Committee recommend that this body be allowed to withdraw from membership in the Board. It is a little irregular, on account of its application not having been made until after the annual meeting.

The recommendation of the Committee was agreed to.

Mr. HOW: There is also a communication from the Toledo Board of Trade, asking leave to withdraw. Their dues are all paid to the present time, and the Committee recommend that leave be granted.

Agreed to.

Mr. HOW: The Committee also have a communication from the Pittsburgh Board of Trade, asking leave to withdraw. Their dues for 1869 have not been paid; but the letter says they are ready to pay them as soon as the Secretary will make them known, and we ask that they have leave to withdraw as soon as their dues are paid.

Agreed to.

The PRESIDENT: The next business in order is the consideration of the recommendations and resolutions on the programme. The first proposition relates to trade statistics and reports; the second to the exchange of reports. Both have been proposed by the Executive Council.

That the constituent members be requested to conform their annual statistical and trade reports to the statistical year beginning on the first day of September; and to send to the Secretary, at the end of every four weeks, a statistical and trade report covering that period. That the above suggestion be carried into effect on the first day of September, 1870.

That the constituent members be requested to collect, collate and preserve full statistics of commerce, shipping, manufactures, products of the earth and exports; and to publish the same annually, in concise, tabulated form.

Mr. GANO: In reference to these propositions, which are closely related, which are to a great extent only recommendatory, and which so appeared to the Executive Council, I would move that a Committee of five be appointed from what are known as active mercantile bodies,—such as have daily meetings and are more directly interested in trade statistics and the exchange of reports,—to consider these two propositions together, and make such report in reference to them as they may see fit.

Mr. ROPES: Before the question is put, I should like to ask whether the Executive Council do not recommend these propositions? If so, I should consider them as having been really a Committee, who are prepared to state some of the reasons for requesting this action. I would suggest to the gentleman from Cincinnati whether an explanation from the Council would not answer the purpose.

Mr. GANO: I so considered, when the matter came before the Council. I would like, however, to have a Committee appointed, so that if they can suggest anything practical, with reference to the manner in which this thing may be brought about, they may report it here; and, if it be adopted by this body, the constituent bodies may be prepared, when it shall be reported back to them, to take such action as will carry the measure through.

Mr. TAYLOR, of St. Paul: I observe among the closing proceedings of the Board at Cincinnati, that a proposition was made by the gentleman from Cincinnati, and adopted, which seems to contemplate some action by the Executive Council of the character

which he now indicates. The resolution then proposed and adopted is as follows :

“Resolved, By the National Board of Trade, that its constituent bodies be requested to submit propositions or suggestions in regard to this matter [the collection of statistics,] to the Executive Council, which body shall, after due consideration, make recommendations and submit a plan by which trade statistics, trade customs and standards of measure, may be made uniform for the entire country.”

In response to that resolution, which is somewhat in the nature of instructions from this body to the Executive Council, we have the proposition which is now before us, which seems to remit the question again for consideration to this Board. I think it is eminently proper, either that the Executive Committee or a Committee proceeding directly from this body, shall present us some practicable plan — something in the nature of a system of tabulation — by which these facts can be ascertained; and I hope that the Committee will be raised.

The motion of Mr. GANO was carried, and the Chair announced the Committee as follows :

J. A. GANO, Cincinnati,

J. W. TAYLOR, St. Paul,

E. H. SAMPSON, Boston,

A. E. MASTERS, New York,

W. M. EGAN, Chicago.

The PRESIDENT : The third proposition will now be read.

III. UNIFORM INSPECTION OF FLOUR.

WHEREAS, The system of inspection of Flour and Produce, as it now exists in the various commercial cities of the country, is so widely different as to cause confusion and loss to the mercantile community as well as to the consumer; and

WHEREAS, An uniform system throughout the country would be of incalculable advantage to the whole people; be it therefore

Resolved, That this Chamber requests the National Board of Trade to establish a regular, uniform system and standard of inspection for all articles of flour, grain and produce.

Mr. COOK : Inasmuch as this proposition comes from the New Orleans Chamber of Commerce, which is not yet represented among

us, but will be, I understand, to-morrow, I move that action upon this subject be deferred until the arrival of that delegation.

Carried.

The PRESIDENT : The fourth proposition will be read.

IV. UNIFORM INSPECTION OF GRAIN.

Resolved, That the interests of grain growers and dealers in the United States will be promoted by the adoption by all the States of an uniform rule and manner of grading and inspecting wheat and other grain and seeds, and in the use of uniform *testers* sanctioned by law.

Mr. TAYLOR, of St. Paul : As the subject of that proposition is almost identical with the previous one, which has been postponed, I move that it, also, be postponed, to await the arrival of the New Orleans delegates.

Carried.

The PRESIDENT : The next business in order is the consideration of the fifth proposition.

V. UNIFORM MEASUREMENT OF GRAIN.

Resolved, That the number of pounds of any article required by law to constitute a bushel, should be uniform in all the States, so long as the bushel is used in trade.

Resolved, That the cental system should be adopted in transferring all commodities usually sold by the bushel, and that measurement by bulk should be abolished.

Mr. DORE : Inasmuch as it is very doubtful whether there can be any diversity of opinion in relation to the subject contained in these resolutions, I move their adoption.

The PRESIDENT : Gentlemen will bear in mind that the rule requires that two-thirds of the delegates present shall vote for the adoption of these resolutions, in order to make them the declaration of the Board.

Mr. KIRKLAND : I move a division.

A count was had, and forty-eight members voting in the affirmative, the Chair declared the resolutions adopted by the requisite two-thirds vote.

The PRESIDENT : The next proposition is the sixth, which will be read by the Secretary.

VI. TARES AND SHORT WEIGHTS.

That the constituent bodies be requested to advocate the adoption of a rule, that tares in all transactions shall be the actual weight of the package at the time of sale ; and to insist upon full weight or measure in articles purporting to be of a certain fixed standard, but which are sold by the parcel or package.

Mr. GANO : This is another one of the subjects which came from the Executive Council in a merely recommendatory way. It was hoped that something practical would emanate from that body in the way of a plan by which the subject could be brought before such bodies as could make laws touching the question of tare. It would be interesting to know whether any of the constituent bodies have responded to the recommendation made by the Executive Council in reference to the matter. If none have responded, our action in regard to it can still only be recommendatory. But we ought to go a little further than this, and agree that we will exert such influences upon the law-making bodies of the land as will bring the rule suggested into practical application everywhere. I will ask the Secretary whether any of the constituent bodies have responded to the request of the Council ?

Mr. HILL : Only one or two, sir.

Mr. GANO : I move the adoption of the resolution.

Mr. EGAN : As a member of the Executive Council, I have not had the same understanding of these references as the gentleman who has just spoken. I have only understood that these subjects were referred to the Executive Council, that they might appear on the official programme, for the action of this Board, and I have so governed myself in my action, because I do not believe in the Executive Council taking up and recommending matters for the action of this Board. Let the members of the Board act for themselves.

Mr. WETHERILL : As I understand the matter, sir, this proposition, and all others which are to come before us, have not only been taken up by the Executive Council and been passed upon by them, but they have also been taken up by the different local Boards, and have been acted upon by them ; and I suppose the action of the local Boards has been reported to the Secretary of the National Board of Trade, and is a matter of record. I find, sir, on my programme, the

word "approved," written against this resolution, showing the action of my own Board. We have had the matter under consideration, and we have approved of the proposed measure. I have no doubt that the other delegates present also know what the opinion of their Boards is upon the subject.

Now, in regard to this resolution. I think it is just right as prepared, and that it should be passed by this body as unanimously as the one that precedes it, as moved by the gentleman from Chicago, Mr. DORE. Justice and propriety dictate that every man should buy by actual weight, and pay only for what he gets. We have been told that in the case of certain articles, where the tare is regulated by a percentage, the packages are often times made to suit that percentage, so that the manufacturer of the article can receive a profit.

It seems to me, sir, although there may be some inconvenience, that a resolution of this sort is entirely practical. Let the buyer hold the seller in check. Let the buyer insist upon having the actual weight and tare instead of the invoice weight and tare. That very act will force the manufacturer and the importer to come under this rule. It is an honest, fair, just and right resolution, and I hope this body will pass it.

Mr. KIRKLAND : I, also, have on the margin of my programme the word "approved," opposite this resolution. The subject was fully discussed in our local Board, and it was recognized and acknowledged as a fact, that the manufacturers of many articles are in the habit of selling packages purporting to contain certain weights, which it is known they do not contain. It is a fraud, from which the general consumer suffers. The wholesale buyer, as a general thing, understands this matter. He knows whether the tare marked upon the goods he purchases is the true tare. But the parties who consume the article, when it reaches its last stage, are the parties who are defrauded.

We all know that there are many articles that are marked with false weights. Take candles, for instance. A great many candles are called "sixes," that is, six to the pound ; they do not weigh it. There are many other articles put up in packages purporting to contain a certain quantity, which do not contain any such weight.

In regard to wholesale transactions, in my own business, for instance, it would be absolutely out of the question for us to undertake to weigh every package ; but it is very generally understood, as between the purchaser and ourselves, that if there is anything unusual in the character of a package, or the article therein contained, an allowance shall be made. That is a matter of custom, and any action

that we might take in these premises, I apprehend, would not affect contracts made between the buyer and seller at the time of the sale of a cargo. It would be perfectly impracticable to weigh every package, but it can be made a matter of agreement, as it is; and whenever there is anything wrong in a package, it is stipulated in the contract that the buyer shall have a right to a tare which may be contrary to what is ordinarily allowed by custom.

The Boards of Trade of this country should impress upon the mercantile community the necessity of the practice of absolute honesty, so far as it can be reached in the sale of manufactured articles and imported goods. This proposition met the unanimous approval of our Board. We discussed the matter thoroughly, and instructed our delegates to support this resolution when it came up. Consequently, I apprehend that we are all prepared to vote, and vote affirmatively.

Mr. RICHARDS : The Chicago Board of Trade has adopted the rules here specified in relation to its business, and it seems to me too plain that they should be adopted by this Board to require any argument whatever. I have the pleasure of seconding the motion of the gentleman from Cincinnati.

Mr. HOLTON : I have been exceedingly gratified to hear this resolution championed by Philadelphia and Baltimore. I have got "aye" marked against it on my programme. We give sixty-two good honest pounds every time we sell a bushel of wheat, and my friend KEENAN, I have no doubt, puts one hundred and ninety-six good honest pounds of flour in his barrels; but I was afraid the shoe might pinch a little at Philadelphia, and that the importers of coffee might be troubled a little about tare. But as they have championed the resolution, and as Boston makes no opposition, certainly there is no reason why it should not pass.

Mr. THOMAS : I should be very happy to vote for this resolution if it can be demonstrated to me that it will be a practicable one. I am well aware that there is a great amount of fraud perpetrated by those who are in the habit of packing their goods in vessels of various kinds, and availing themselves of the percentage that is in some cases allowed by law; but I cannot myself see how we can apply this as a general rule. And if there are special cases in which it cannot be applied, how is it possible to enact a law which shall be generally applicable to the whole country? In all cases where the package does not absorb a portion of the contents after it is packed, it may be made to apply; but there are innumerable instances in which a part

of the material packed attaches itself to the package, thus increasing its weight. I may instance the article of lard. All such cases it would be impossible to reach under this rule, and hence it has been the practice of the General Government, in all cases of this kind, to determine upon a certain percentage that shall be allowed for tare on all imported articles, and such a rule now prevails.

As I said before, I should be very happy to vote for the proposition now before the Board, if it can be shown that these difficulties do not exist, or can be obviated. I hope those gentlemen who are in favor of the measure will explain to us how this difficulty which I have suggested can be surmounted.

Mr. HASTIE : I would state, for the information of the house, that the Charleston Board of Trade, so far as regards rice, have already acted upon this question. The percentage on rice has been abolished in South Carolina, and the actual tare is allowed. There is no difficulty in regulating this matter, if each local Board will take it into consideration. The difficulty in regard to lard, to which the gentleman has referred, can be remedied. Many years ago, it was the custom to allow upon a keg of lard which weighed one hundred pounds, two pounds soakage. We found a great deal of difficulty in getting the planters to come into our new arrangement in regard to the actual tare. There is no doubt that the remark made by one gentleman, that a great deal of money has been made by false tares, is correct ; but we have obviated the difficulty so far as regards rice, and we get along now without any trouble whatever.

Mr. CAMPBELL : I had occasion once to weigh a case purporting to contain five hundred pounds, and I found the actual loss was fifty-five pounds, and that is a very common occurrence. I recently had occasion to weigh a case, the tare upon which was ninety pounds, (because I wanted to be accurate in regard to the article I was going to pack in it,) and I found that it weighed one hundred and ten pounds,—a loss of twenty pounds.

This is a subject that affects us very seriously. We have no rule by which we can tell whether a case was or was not marked up fifteen or twenty pounds above the gross weight at the time it was marked. We have no means of testing it. It is of great importance to the States of Pennsylvania, Ohio, Massachusetts, Connecticut and New York, that they should have the actual weights and tares of the article in which I deal—tobacco ; for they all purchase it in large quantities. When that article is a drug in the market, we can buy it at the actual weights and tares ; but if the demand is rather brisk, and the holders

are a little stiff, we must take it at the marked weights or not at all, and we can never tell how much the article weighs, net, until we get it home and weigh it.

I hope the resolution will be adopted, for I believe that any rule by which the end desired can be reached will certainly be a great benefit.

Mr. HAZARD: It seems to me this is a matter that does not require much argument. It is a plain case between the buyer and the seller. If a buyer chooses to take one hundred pounds for one hundred and ten, it is his own business; we do not want any legislation on the subject. If the several Boards of Trade will say that a man shall give one hundred pounds for one hundred pounds, there is an end of it. Let the Boards of Trade, and those engaged in commerce, insist upon having what they pay for, and there will be no difficulty about it. One hundred and ninety-six pounds of flour constitute a barrel. We all know that barrels of flour frequently hold less or more. Sometimes, when fraud is suspected, the inspector strips the barrels, weighs the flour, and gives the buyer precisely what he pays for. It seems to me it is just as easy to regulate this thing upon tobacco, rice, cotton, and every thing else, as upon flour. I believe it depends entirely upon the Boards of Trade, and on the persons who buy and sell.

Mr. ROPES: This matter of tare was taken up in Boston a number of years ago by our Board of Trade; and it was discussed with a good deal of earnestness, as it has been here. Very strong language was used on the occasion, and some facts were stated, which it was very unpleasant for me to hear, in regard to the practice of certain manufacturers, which, it seemed, prevailed at that time, and for aught I know, still prevails, of affixing fictitious weights and tares to their goods. In my own case, as an importer, it has not been my fortune to have anything to do with such matters. The actual weight or measure is the invariable rule, to which the buyer has a right to appeal, and if he does not do it, it is because he thinks he is rather better served by the invoice weight given by the seller,—which is always a satisfaction to the seller. But there is one word I would like to say in connection with this subject. It has been stated by several gentlemen that this proposition has been submitted to their respective bodies, and received their approbation, and that they have come here instructed to vote for it. Some talk of this kind occurred in Boston before the appointment of the present delegation, and it was our unanimous feeling that it was utterly impossible for any satisfactory result to arise from the deliberations of this National Board of

Trade, if the delegates who come here should come instructed by their Boards to act, not upon their deliberate conviction, after a full and thorough discussion upon every subject, but upon the opinion of the constituent bodies, previously expressed. I believe it is the understanding of every Boston delegate here, that he has in no way been instructed by the body which delegated him. He has come as the representative, I should hope, of their average good sense and information, and after having heard all the facts stated and discussed, and done all he can to arrive at the right conclusion, he will then use his own individual best judgment in voting upon the propositions submitted to him.

I state this simply, to use a common expression, as "defining my position," and, I rather think, the position of our delegation; I should hope, also, the position of all gentlemen here, on this matter of instructions from home.

Mr. KIRKLAND: I had no idea of making any further remarks on this subject. It seems to me that this resolution is so proper in itself that it scarcely requires any argument in its favor. We have in our Board a Committee called the Committee on the National Board of Trade, and all questions pertaining thereto have to be referred to that Committee, before they can be acted upon by the Board. A recommendation comes from that Committee to the Board, that they take such, or such action; and if the Board approve, they adopt the recommendation. So that, while we nominally call it instructing the delegates to the National Board, it is really asking the Board to agree to our recommendation. (Laughter.)

There are certain articles on which the tare is fixed by regulation of our Board of Trade, for instance, on sugar in hogsheads, tierces and barrels, (12) twelve per cent.; in boxes, (15) fifteen per cent.; in bags, (3) three per cent.; in mats (5) five per cent. On Rio coffee in bags, (1) one per cent., (which is more than the Government allows;) and, as a general thing, I think the purchasers of imported articles get more than they pay for. That is what, in my experience, they aim at, and if they are afraid that they shall not get it, they make a stipulation that they shall be allowed the full tare on a hogshead under the usual average weight.

But the great evil lies in the goods put up in this country. Some manufacturers put on the market packages which they know, and almost everybody knows, do not contain what they purport to contain; and the shopkeeper who puts them upon the community, or the community itself, is imposed upon. It is a fraud upon somebody, and it becomes us as merchants, desirous of maintaining the

character of the mercantile community, to discountenance all such practices. I believe this evil will be most effectually reached by legislation; and if this Board would go before the several Legislatures and ask them to impose a penalty upon any manufacturer who puts false marks on his packages, I believe the Legislatures would cheerfully do it. But as to these customs, you cannot make an arbitrary recommendation here that will do away with the practice of selling goods by customary tare. Our Board, before they established the regulations to which I have alluded, referred them to a Committee, who were perfectly conversant with the subject, and they fixed these tares, with the purpose of covering the purchaser beyond all peradventure, that he might be sure of getting all he bought. On a hogshead of sugar the purchaser sometimes gains a quarter of a cent a pound. When he buys Demerara sugar he often gets an allowance equal to two hundred and forty pounds tare on a hogshead, when the actual weight of the package is only one hundred and eighty or one hundred and ninety pounds. It is not, therefore, a fraud on the wholesale dealers, but on the community, that is complained of.

We ought to discountenance this fraudulent practice of marking goods or packages with weights that the manufacturers know they do not contain; and, as I said before, if we so change this resolution as to recommend that the constituent bodies ask the Legislatures of their respective States to make it a penal offence for any manufacturer or dealer to mark any article or package with a false tare or weight, I believe the Legislatures will pass such a law.

Mr. GANO: I do not want to occupy any more time on this question than seems to me absolutely necessary, for it appears to me scarcely possible that any merchant should advocate any allowance of tare but what is absolutely right. But I wish to make an explanation. The Cincinnati Chamber of Commerce at the time this Board met in that city, presented a proposition, which is on page three hundred and thirty-three in the report of the proceedings. I will read it:

“The Cincinnati Chamber of Commerce submits the propriety of an effort to secure uniformity in trade reports, trade statistics and standards of measures of commodities, so that all constituent bodies shall be able to show weekly, monthly, or yearly statistics computed for the same dates, by the same measure, and in like forms; and proposes the following:

“*Resolved*, By the National Board of Trade, that its constituent bodies be requested to submit propositions or suggestions in regard to

this matter to the Executive Council; which body shall, after due consideration, make recommendations and submit a plan by which trade statistics, trade customs and standards of measures may be made uniform for the entire country."

When this came to our body, as one of the constituent bodies of the National Board, it was referred to a special Committee, who took the matter in charge, and made a somewhat elaborate report covering that proposition and this one which is now before us in reference to tares, and embracing some others which they considered of very great importance. In the opinion of that Committee, these are matters of first consequence to the National Board of Trade, and afford a sphere of action in which it can make its influence practically felt in relation to the commercial interests of the country. We went before the Executive Council with certain suggestions, and the Executive Council considered them. The reference of them was made in a circular under date of March 27th. Our body, as a constituent body, again deemed it its duty to pass upon these recommendations of the Executive Council; it did so, in form, and they come back now from the Executive Council to the National Board of Trade. I scarcely expected they would, for our position to-day is nothing more than a recommendation, unless the Executive Council had a specific plan to refer to the National Board of Trade.

Whatever can be done by the Executive Council or the National Board of Trade in reference to this question, it seems to me very desirable should be done. The proposition now before the Board is a step in advance, and I hope, therefore, that it will be adopted; and I shall expect that every constituent body will take measures to make that proposition effective.

We have now in existence in the State of Ohio, a law requiring the actual tare. Any buyer can always demand that. No matter to what inconvenience it puts the seller, the purchaser has a right to demand the exact quantity he bargains for. The law is operative with respect to all articles, I think, except sugar. Cheese was handled in Ohio, until probably two years ago, on tares of ten per cent. I have seen the bottoms and heads of cheese boxes made of oak, the heaviest kind of timber, full two inches thick. Of course ten per cent. would cover no such tares. I have seen hogsheads, in which Louisiana sugar was packed, with oak heads at least three inches thick. Ten per cent. tare of course would not cover that. We have still, by a conventional arrangement, ten per cent. tares operating in the handling of New Orleans sugar, but recently our

merchants have voluntarily agreed to adopt a twelve per cent. system of tares ; but when the sugar is taken out of the hogshead and packed in barrels, the buyer gets the actual tare. We have, as I say, that law operating in Ohio.

Something has been said in regard to the soakage of lard. The actual tare is made when the lard is packed ; soakage, of course, takes place, and there is usually some conventional understanding or agreement between the buyer and seller in reference to the soakage. It is so with reference to other articles, — butter, I think, is one. But, as I say, we find in the State of Ohio that such a law can be made perfectly operative, and I do not see why it may not be made so throughout the country. The object of this proposition is, that the constituent bodies of the National Board of Trade shall take such steps as shall secure suitable legislation on this subject, or, if they can secure the desired result by resolution, that they shall do so.

Mr. HARRISON : I second the resolution, just as it stands. I believe it will be entirely efficient and sufficient, without legislation, if it is passed by the constituent bodies connected with this Association. I think it important and valuable. We know what the laws are in Ohio and other States ; but those laws are not rigidly enforced. When any custom prevails, one merchant does not like to enforce the law against his neighbors. If a custom prevails in one market, the people outside of that market do not know that custom. Take the article of lard, for instance. Quite a different custom prevails now in Cincinnati from that in Chicago. Two years ago it was the same. If a man sends a telegraph to Chicago ordering a quantity of lard, the actual tare is deducted. He need not say anything about the tare in his despatch. If he sends to Cincinnati for the lard, he gets the marked tare on the package, because that is the custom. He has the right to demand the actual tare, but he will not do it, because it is not the general custom there. Now, if this proposition passes as it is, a person sending an order to Cincinnati would have a right to expect that the Board of Trade of Cincinnati would enforce this rule, and it would finally come into such general use that it would be adopted in the whole country.

The question was then put on the resolution, and it was adopted.

VII. UNIFORMITY IN EXECUTING CONVEYANCES OF LAND.

WHEREAS, Great inconvenience to the people of the United States arises from the diversity of laws and forms adopted by the several

States in executing conveyances for lands, and in the authentication of written instruments executed in one State to be used in another ; therefore,

Resolved, That a Committee of three members of this body, or of the constituent bodies, be appointed to prepare and recommend to the Legislatures of all the States, a statute to be adopted for the form and general requisites of conveyances of lands, embracing the matter of sealing such instruments ; the number of witnesses, if any, required ; the substance or form of acknowledgment required ; the public officers who may take acknowledgments, and the requisite proof of certificate ; the official character of such officers, and such other matters as they think necessary to carry into effect the objects of this resolution.

Mr. TAYLOR, of St. Paul : It will be observed that the proposition is simply recommendatory, with the sanction of the National Board of Trade, or of a Committee of this Board, to the respective States. It might well be supposed, that under the general authority given to Congress to regulate commerce among the States, a general act might be asked from the National Congress ; but in deference to the usages of the country, in deference to the whole course of legislation, and for the purpose of avoiding an innovation in that respect, the St. Paul Chamber of Commerce have proposed that this body, through a Committee, shall endeavor to present a statute bearing on this subject, which shall commend itself to the approval of the Legislatures of the respective States. There being no probability of any conflict of interest, but, on the contrary, a very great accord of interest in every part of the country in the establishment of general rules bearing upon this subject, and a great probability that the recommendation of this body, thus deliberately presented, will be followed by such modifications of existing laws as would secure the benefit of uniformity in this regard, I move the adoption of the proposition.

Mr. CULLEN : I to a very great extent indorse what the gentleman has said in regard to this resolution. But, Sir, I cannot agree with him that we should rely upon the States to execute the designs of this Board. We had, perhaps, better understand now, in the very inception of our action, that we cannot expect to get Florida or Massachusetts to pass such laws as we may desire to secure that uniformity which is necessary, and therefore it is essential, since State rights are dead, that we should have a compact centralization, and that Congress itself should pass a law regulating the form of conveyances in the States. If the gentleman will amend the resolution

so that it shall read in that way, I shall be most happy to indorse it. But I fear that our recommendations will be of little value when we permit the States themselves to take their leisure in their action upon this subject.

The PRESIDENT: I would ask the gentleman from St. Paul whether he wishes the resolution to pass in the alternative form, or would prefer to have it pass in a specific form. The proposition is, that a Committee of three be appointed of this body, *or* of the constituent bodies.

Mr. TAYLOR: I would much prefer a Committee of this body, because I believe that a commercial code bearing upon this question, carefully considered, and going forth with the sanction of this body, would have an important effect, and might secure the desired result. If, however, it should be found that the proposition has failed to receive that general approval from the States which alone could make it effective, it would then be quite proper to take it up and press it upon the attention of Congress, as the gentleman from St. Louis suggests. But I have confidence that the several communities would soon fall into line in favor of the proposition, which would probably be adopted promptly by the leading commercial communities of the country, and which it would be for the interest of all to approve. But I cheerfully accept the suggestion from the Chair, and would move to amend the resolution by striking out the words, "*or of the constituent bodies.*"

The amendment was agreed to, and the resolution, as amended, passed.

VIII. UNIFORM PRACTICE IN THE U. S. DISTRICT COURTS.

That it be recommended to the constituent bodies to consider the propriety of their taking action to secure uniformity of practice in the United States Courts in the various States, in relation to the collection of debts in cases where the debtor and the creditor reside in different States; uniformity in judicial decisions in such cases, under a general law; and an uniform disposition of property, regulated by such a law.

Mr. JEFFRIES: I move the adoption of the proposition.

Carried.

Mr. GANO: I am sorry to be a little late, but I would like to have this proposition referred to the same Committee as the

preceding subject, in order that we may have something practical, if they can get at it.

The PRESIDENT : That can only be done by moving a reconsideration of the former vote.

Mr. EGAN : I move a reconsideration.

The motion to reconsider was carried, and Mr. GANO's motion adopted.

IX. LOCAL TRADING LICENSES.

WHEREAS, There exist in nearly all the States of the Union, local license laws discriminating against non-resident traders and agents, enacted, some of them by the State Legislatures in which they operate, and some by merely municipal corporations, assuming the sovereign prerogative of regulating trade and commerce in their several localities ; and whereas, whatever may be the local reasons for maintaining such restrictions in retaliation for similar restrictions in other places, the policy is, on the whole and in a national point of view, vicious and injurious, if not unconstitutional ; and whereas, the evil is too wide spread and too firmly fixed to be reached by merely local effort ; therefore,

Resolved, That the National Board of Trade be urgently solicited at its next meeting to consider and examine the subject carefully, and if possible to institute such proceedings as shall cause a total and common abandonment of all such restrictions throughout the country.

Mr. WETHERILL : It is hardly necessary for me to say a word upon the matter now before the Board, because the preamble to the resolution fully sets forth the facts in the case. We have had a variety of subjects under consideration this afternoon, and the gist of them all is, a want of uniformity ; and here we are again in regard to a license law — want of uniformity. The trade of the country in the last ten years has changed very materially. Heretofore, we all know, it has been our custom to wait at home quietly until the merchant came to our doors to purchase our goods. Now, we do business through commercial travellers, who travel over the country. And it is a very hard thing, if a New York commercial traveller goes to Philadelphia to sell goods, to be taxed one hundred dollars, perhaps ; if he goes to Pittsburgh, two hundred dollars ; and if he goes to Ohio, and through the West, to be taxed in the same way.

It may appear a little strange to my friend from Milwaukie [Mr. HOLTON] that Philadelphia or Pennsylvania should advocate

free trade, but we do so in this regard, because we believe that trade, when it is domestic, should be as free as air. (Applause.)

I will not occupy the time of the Board any longer, but merely offer a resolution in connection with this matter, which is as follows :

Resolved, That the Executive Council be requested to memorialize the Legislatures of all the States to institute such proceedings as shall cause the total abandonment of all regulations discriminating against non-resident traders and agents ; and that copies of the memorial be sent to the local Boards.

Mr. HOLTON : It affords me very great pleasure to second this resolution of my friend from Philadelphia. It is a good free trade scheme. I am not going to ask my friend now to do away with his little arrangement, by which I am compelled to stop in Pennsylvania to buy iron, but I am going to give him the free run of Wisconsin. As an out-and-out free trader, I thoroughly indorse the resolution to do away with all such restrictions upon trade. I know that some of my neighbor merchants in Milwaukee feel that it is a matter of importance to them that the Philadelphia merchant should be prohibited, to some extent, from coming into Wisconsin, and from selling his goods, through an agent, by their side. Still, I believe these licenses are an impediment to trade, and I thoroughly indorse the proposition. But I must hold my friend WETHERILL to reciprocity by-and-by. (Laughter.)

Mr. SEEMULLER : I wish to add a few remarks to those of the gentlemen who have preceded me, and to express my entire agreement in the views they have presented on this subject.

There is no merchant or manufacturer who has endeavored to introduce the sale of his goods beyond the limits of his own place of residence, who has not felt the inconvenience, annoyance, and in many instances pecuniary loss, resulting from the existence of local license laws discriminating against non-resident traders.

These laws are the result of narrow-minded prejudices, unworthy the liberal spirit which should govern intercourse among merchants in this enlightened age, and in most cases injure directly or indirectly the very persons who assist in their enactment, or for whose benefit it is proposed rigorously to enforce them. Their effect is to tie the hands of enterprising young merchants, who seek to extend their connections, and circumscribe the boundaries of trade, which, legitimately conducted, should be unlimited, and ultimately act as a safeguard around the selfish large dealer, who can visit first hands

to make his purchases, and thus compels the smaller trader to draw his supplies from him, often at an exorbitant rate of profit.

It is urged by those who favor the continuance in force of these laws *at home*, that their business is injured by the appearance among their customers, *at their places of residence*, of foreign traders; yet at the same time these very men do not hesitate to solicit customers *away from home* by means of travelling salesmen; and if one of these employes happens to be punished for the infraction of local license laws abroad, no one is louder in denouncing their existence than these very gentlemen.

Whilst they have a hundred, in their opinion, irrefutable arguments to support the existence *at home* of laws of this nature, they will give an equal number, to their own way of thinking as strong, why their neighbors should not have them. I am in favor of compelling non-resident traders to pay in any community as much for the privilege of doing business there as is paid by the citizens of that place, but am opposed to their paying more.

If discriminating local license laws are at all proper, they should exist everywhere, in every town, village and hamlet throughout the length and breadth of the land; and were this the case, the evil would soon correct itself; if they are wrong, as I believe they are, they should exist nowhere; and if either state of affairs can only be reached by the interposition of Congress, it is in my opinion proper to invoke the aid of that body to enable merchants throughout the entire country to do business on a like footing.

If we admit that the city of New York is the great commercial metropolis of this country, and that she has by gradual steps made herself so, we are forced also to the conclusion that she is indebted for this proud position, not only to her favorable location, but also to liberal laws for the regulation of mercantile transactions within her borders, among which there are no laws discriminating against non-resident traders; on the contrary, I am informed, that trade, so far as license laws of any kind are concerned, is free to all.

Mr. CULLEN: I regret that I again appear upon the floor, but there is no other representative from St. Louis here, and I therefore consider it necessary that I shall answer, to the best of my ability, the remarks which have been made in favor of the States exercising power on this subject.

This matter has been fully investigated by the Board of Trade of St. Louis, and, acting as its attorney, I had to look thoroughly into the subject, and examine the reports of the State Courts and of the Supreme Court of the United States. I am opposed to

the gentleman's resolution, because he recommends that the States take action in this matter. We cannot obtain uniformity through the States. In the case of *Maryland vs. Ward*, of New Jersey, which was a case where the defendant was charged with selling goods in Maryland as a "drummer," the State Court upheld the power of the State, and the State alone, to demand a license of all drummers from other States. Thus Maryland arrays herself at once in opposition to that resolution. You will find the same thing in Mississippi, and in most of the non-manufacturing States throughout the Union. We must meet this question sooner or later, and it seems to me we had better meet it at once, and say that the Federal arm must lend its protection to the Federal subject, wherever the flag floats, and that we must have free trade. And if it be said (as I know it is said) by the Supreme Court of the United States, that this authority only exists in the States, then let us instruct the representatives of the States in Congress to enact a law that the Supreme Court shall not interfere in the matter. That is the only means by which we can obtain an act which shall be uniform in its operation. The Supreme Court has decided, upon principle, that this thing is entirely within the internal commerce and trade of the State, and it is beyond the power of the Federal Government to regulate it. There is no doubt of that. All the authorities sustain that opinion. But, Sir, how easily we can push aside this judicial power, which stands above the power of the people, called the Supreme Court, and say it shall not touch this law until we can have another amendment to the Constitution, by which we may recognize that the States stand in the same relation to the Federal Government that the counties do to the State. That is the bottom doctrine, and I indorse it with all my soul.

I move to amend the gentleman's resolution by striking out the words "the Legislatures of all the States," and substitute, "the Congress of the United States," so that Congress may be requested to pass a general law upon this subject, and prohibit the Supreme Court from interfering with it. (Laughter.)

MR. WETHERILL : I may possibly agree with the gentleman's views in regard to the abolition of State rights, but I certainly cannot agree with him when he would abolish State legislation. The States have their rights, most certainly ; but it seems to me there is a marked difference between asking the Legislature to pass laws and asking Legislatures to do away with obnoxious laws ; and that is the position we take in this resolution. We do not recommend them to take any new course, but we do ask them, inasmuch as the course they

have taken is injurious to trade, to abolish the obnoxious laws; and I think, Sir, when the subject is properly brought before the State Legislatures they will act in accordance with our request.

I should be very sorry to think that the State Legislatures are in the condition in which the gentleman from St. Louis imagines them to be. I believe that if the fact were known, that upon the statute book of any State there were obnoxious laws, the Legislature of that State would by a Committee examine very carefully its laws, and see that, by proper legislation, those laws were abolished. I do not know anything about the case of *Maryland vs. Ward*, but we have Maryland on this floor, and she is with us on this resolution, and that is enough for me, so far as that State is concerned.

Mr. DORE: The subject, if I understood it, is "local trading licenses," and the preamble reads: "Whereas, there exist in nearly all the States of the Union local license laws, discriminating against non-resident traders and agents,—" I do not know how comprehensive the word "agents" is intended to be. This is probably not exactly the language of the resolution, but inasmuch as I have not the resolution, and as it aims at the same point, this will answer my purpose. I do not know how comprehensive it is intended to be. There sometimes appears to be a discrimination when there is none. In the city of Chicago there are, I think, agents representing mercantile houses in Boston and in New York, who make that city their permanent residence. I know that there are a great many agents there who represent, for instance, insurance companies in the different States, and they are subject to a special tax on their gross receipts. For what? To help defray the expense of the fire department and of the fire-alarm telegraph, and not simply because they gather up their premiums every month, and ship them off to head-quarters. Unless there were some tax of this kind upon their gross receipts, they would actually have an advantage over our home offices, who are subjected to State, county and city taxation. If this resolution is meant to comprehend such agencies as these, it seems to me it comprehends too much. I therefore rise to ask for an explanation.

Mr. WETHERILL: I will state that there is no such intention.

Mr. HERBERT: I am satisfied that if the members of our Corn and Flour Exchange and Board of Trade unite in representing to the Legislature of Maryland that they have put a bad law upon the statute book, they will be willing to repeal it, for the benefit of the commercial interests throughout the land.

Mr. BAGLEY : I rise to oppose the resolution offered by the gentleman from Philadelphia, because I think it is just and right that those persons who visit other States for the purpose of selling merchandise should be required to pay a "license," as it is termed in the resolution. For instance, a merchant in Boston, Philadelphia or New York sends his agent to my own State of Michigan with samples of goods representing a stock of two hundred and fifty thousand dollars. He comes in direct competition, in exhibiting those samples, with merchants who have, if you please, the same quantity of the same kind of merchandise actually in store, on which they are obliged to pay State, county and city taxes, whereas this agent pays no tax whatever in the State of Michigan, and may exhibit and sell his goods in Illinois, Wisconsin, or any other State, without the payment of any tax, except in the city where he is doing his business. I ask this Board whether it is not right for the different States or cities, if they see fit, under these circumstances, to impose a tax on such persons, if it is not exorbitant? In our own city it is one hundred dollars, which goes to our poor fund. One of these men said to me, "Why, I could afford to pay five hundred dollars, I sell two hundred and fifty thousand or three hundred thousand dollars worth of goods a year in Detroit." I think, if the Board will reflect upon it, they will see the injustice done to people who live in a State, and hold their merchandise there, by these persons who come in and exhibit just the same kind of goods, and pay none of the State or local taxation.

Mr. WETHERILL : I listened with a great deal of interest to what my friend said, but it seemed to me he destroyed his entire argument by the last remark that he made, that a commercial traveller, to secure the trade of Detroit, was ready to pay five hundred dollars instead of one hundred dollars.

Mr. BAGLEY : I made that remark to show that it was not an onerous burden.

Mr. WETHERILL : I understand it. The question is this, whether in the West, where they have two classes of trade, the wholesale dealer and the retailer, the retailer is affected. There are two classes. If the jobber of Detroit found that his business would warrant him in going out of the State of Michigan, would he not like to have this license removed, so that he might extend his trade, and the city of Detroit receive the benefit? The time has come, Sir, when we no longer believe in fencing in cities, so that trade may be kept within them. I believe that doctrine was proved long ago to be a fallacy. I believe that the only way to stimulate trade, the only

way to bring up Philadelphia, if she is a laggard, the only way to make her imitate Boston or New York, is to let the Boston or New York commercial traveller come into our city, and into our stores, and let the wholesale merchant of Philadelphia see exactly what sort of competition he has got to meet. My word for it, it will do him good; and I do not know but my remarks might apply with equal force to the city of Detroit.

Mr. BAGLEY : I do not propose to fence up the city of Detroit against any gentleman from any other city; all I ask is, that they shall come somewhere near an equality in regard to taxation.

Mr. HAWLEY : Upon this question I have not been able to reach the same conclusion as my brother delegate. We are not instructed as to this subject, as we are on some others, and we shall express, as occasion may call, any difference of sentiment which there may be between us. I cordially agree with the gentleman from Philadelphia,—with his resolution and his remarks. I think the time has passed when we should interfere, by these local taxes, with the freedom of trade between all parts of our country. In my own business, we are frequently written to for samples, and sometimes we send them by express, at other times we see fit to send an agent with them; and we welcome similar action on the part of merchants throughout the country. For my own part, I should be very happy if the resolution was more comprehensive, and extended to the matter of insurance. For one, I want competition in insurance; I want the best companies, where there is plenty of capital, to be represented in our city, and upon an equal footing with the companies about the State. We have not the money to put into business of that kind. We get up companies, but they are not all that we wish, and we want competition, we invite it. We do not want to risk our property in home companies, because they are home companies. When they can compete successfully with other companies in the security they give us, we may consider the question of giving them the preference, but not until then.

Mr. THOMAS : I regret, Mr. President, that I am compelled to differ from my worthy colleague, representing the Board of Trade of Philadelphia, on this subject. I should rejoice if we were not obliged to impose any burdens upon our people, either for the purpose of sustaining the National Government, the State Government, or the municipal Government. But, Sir, taxation appears to be necessary in this country; and the expedient has been adopted in the States and in the municipalities, of imposing certain taxes upon their trades-

men, in order to raise a revenue, and they have, among other things, imposed licenses upon those who sell merchandise.

Without discussing this subject further, I will say, that I look upon the proposition before us as a proposition to exempt foreign dealers who come into a State from the burdens that are imposed upon the people of that State, thereby interfering with the policy of raising the money necessary for its support. I am opposed to this; and it seems to me there can be no possible injustice in requiring the dealer who comes into your State from another, to pay the license that is imposed upon your own dealer, if he thinks proper to come there and vend his products or merchandise; and since our whole country is now traversed with railroads, there is no difficulty in these travelling agents coming into your city or into your State and selling their merchandise right in the face of your own dealers, who are paying for the support of your local governments, and ordering the goods they may sell from their own manufactories. I am opposed to it; and I cannot believe that this Board of Trade will for a single moment attempt to interfere with the laws as they now exist on the subject. Let the States impose these burdens upon their own tradesmen, and let us protect them in it, by justifying them in imposing the same burdens upon strangers, if they come into the State for the purpose of availing themselves of the advantages of trade.

Mr. CHITTENDEN: I wish simply to express my regret, Sir, although I am not surprised, that there should be gentlemen in this assembly who are yet clinging to the restriction referred to in the resolution before the Board. It may not be easy to answer fully the arguments in favor of local taxation which have been presented here, but they are very feeble and very trifling in view of the great interests and the great principles which lie at the bottom of this question. Allow me to say, in a single word, Sir, we live in a new epoch. Old things are passing away, — many old things have passed away; and these miserable restrictions upon business are among the things as surely to pass away as any others which belong to a past age. I have no more doubt that the gentleman from Philadelphia has a right to take his merchandise to Michigan and sell it, free of taxation, provided he pays store rent, or house rent, or whatever rent may be charged him, while he goes under cover to sell it, than I have that a man in Michigan may bring his horse to New York and sell it to me. He may not pay the taxes which the stable-keeper pays, but he has to pay his expenses and take the risks; and it is against the spirit of the age, — it is against the spirit of our institutions, — it is

against the great progress of events which we have all witnessed in the last few years, to resist this change. It cannot be successfully resisted. I would go to the States, where the power lies, and if any of them should refuse to take the desired action, I would use the last resort. But let us confront it squarely in the face. It comes directly home to the true American sentiment—freedom—liberty—free trade. We are bound to have free trade with all the world. (Applause.) Let us have peace; let us be wise and enlightened enough to allow every man who claims to be, or aims to be an American citizen, to trade with every other man, wherever he finds him. (Applause.)

Mr. GANO: I am a free trader, when things are made equal for us all. The gentleman from New York, luxuriating there in a great and prosperous trade, has established himself, with the advantage of the revenue laws, as they now exist, to override the importer in the West, who stands no chance in competition. He is bound to surrender his business, and put it into the hands of the gentleman from New York, or go there himself, and establish his business. Give us ports of entry in all the leading cities of the West; make us even, and we, in Cincinnati, will enter the race in regard to imported goods, as well as those of domestic manufacture. Give us free trade the world over, and we will welcome the English commercial traveller, with the same readiness, as the commercial traveller from another State; but as long as these inequalities exist, we must seek to protect ourselves in such ways as we can. Consequently, laws are established in these different States, to protect the men who embark their capital in various enterprises from an unequal and unjust competition; which it seems to me, business men will readily comprehend. I would like to amend the proposition of the gentleman from Philadelphia, so that his resolution shall apply, only to domestic goods; when we in Cincinnati, in Chicago, in St. Louis, in Louisville, in Detroit, have the privilege of entering goods there, and distributing them through such channels as we may command, I shall be in favor of running a race with New York, Philadelphia, Boston, or any other of the importing cities; but as long as we are placed at such a disadvantage, that the Cincinnati capitalist must either remove his business to New York, or surrender the field entirely, and let the New York, Boston, or Philadelphia importers monopolize it, I am opposed to the resolution now before us. So far as the commercial traveller representing domestic industrial enterprises is concerned, we ought not to impose any restrictions. The great principle in trade, should be to deliver to the consumer, the goods or article he may require at the least possible profit, between the person who manufactures them, and himself. Consequently, I

would not support an unnecessary middle man in any trade, for a single day. Let the consumer be brought into the closest possible relation with the manufacturer and the producer; and when he shall be in that position, many men will have to go out of their present places, where they are exacting an unjust, and, it seems to me an unnecessary profit on merchandise, to seek other occupations and other avenues, for the employment of their talents and their capital. If a manufacturer of white lead in Philadelphia, like our friend Mr. WETHERILL, comes to Cincinnati and offers his goods in competition with the manufacturer there, there seems to be no reason why he should not have a chance in that field. But, as I said before, when the business of importing is monopolized, as it is by the seaboard cities, we are placed at a disadvantage, and ought to have some local protection, if we cannot have the right to bring imported goods to our respective places of business.

Let me give you an illustration: A merchant in Cincinnati, engaged in the Queen's-ware business, attempted to import, carrying his goods through the ordinary course of bond in New York. He was subjected to such impositions of various kinds, and to such charges, that he could do nothing in competition with the New York dealers in the articles he handled, and consequently he had to carry his goods through Canada, enter them at Detroit, and bring them in bond to Cincinnati, and then he could stand a reasonably fair competition. But the advantage of the transportation of those goods went to a line not in our own country. We did not get the benefit of the transportation, and the merchant was subjected to delay and inconvenience from the necessity of bonding in Detroit. If the gentleman from Philadelphia will accept an amendment, I will suggest that his resolution be so modified as to apply only to domestic goods. If he declines to accept it, I would like the privilege of offering it.

Mr. WETHERILL: I will accept the amendment.

Mr. STRANAHAN: I rise merely to ask my friend from Cincinnati, if this Board did not, at Cincinnati, pass favorably upon a recommendation, that the large cities of the West should have the business that he claims.

I believe that was simply an appeal to Congress. We now make an appeal to the State Legislatures, putting this question exactly upon the same ground, on which we put the question that our friends from the West are interested in, and which my friend now claims, must receive the favorable action of Congress, before the appeal on this question shall reach the State Legislatures. Why not let them both go together?

Mr. ROPES : If this resolution is to lie on the table for the convenience of adjournment, and will be taken up again to-morrow, I have no desire to detain the Board. But I wish the privilege of saying a word, for I think this is just one of those important questions which ought to be fully debated by the members of this body.

I will begin by reiterating what has just been said, that the delegations from Boston, New York and Philadelphia have been in favor of making the principal Western cities ports of entry, and have done their utmost to bring about that result. There is, therefore, no jealousy of the West felt in the Eastern cities, in regard to that matter. But I must say, as has been already said, that it seems to me to be a very narrow view to take of this subject to insist that it is such a great privilege for the New York or Boston merchant to sell his goods in Détroit, Cincinnati, or elsewhere, that he cannot be permitted to enjoy it unless he pays a local tax, as if he were a permanent resident of those cities, and enjoyed the benefit of their municipal protection, the benefit of their schools, and all the various benefits which are derived from local taxation. If we once admit the principle, that everybody who gets the slightest benefit of any kind, in any place, is to contribute directly to the taxation of that place, then what an amount of taxation we in Boston will levy on the gentlemen who come there to buy goods, for we know that they come simply because they can buy them nowhere else so cheap or so good. We ought, on this principle, to tax every one of them ; they ought to pay a license of from five dollars to one hundred dollars, for the privilege of coming to Boston to buy our goods. Why, Sir, we very often sell goods, not only without any profit, but at a loss, and we are very often much obliged to our customers for purchasing those goods, when we wish to get rid of them ; but on this principle, we should charge them a license for the privilege of buying. The buyer, in all fair transactions, gets as much benefit as the seller ; and the seller derives as much benefit from selling his goods, or ought to, as the buyer does from buying them. The advantage is reciprocal.

Now, as has been hinted, rather than directly said by the gentleman from New York, it is a fact that every one who goes into a city, pays indirectly a portion of the tax of that city. If I come to Richmond, I pay my charges at the hotel, and my railroad charges, and it is well understood, that the parties to whom I pay those charges, pay their taxes. The hotel-keepers, for instance, in consequence of entertaining guests, are able to pay additional taxes to their city and State. It is so in Boston, very heavy taxes are paid by hotel-keepers, and a large portion of those taxes is paid indirectly by gentlemen

who come from the West and South to make purchases in Boston. But, as has been said, it is impossible to go back to those mediæval regulations of trade founded upon the principle of endeavoring, in the interests of selfishness, to make everybody contribute a little grist to our mill. On the contrary, let us see how we can make it for the interest of people to come to us, and not only allow us to supply them with the goods they want in exchange for their money, but to supply us with the goods that we want, in exchange for our money.

I have no interest in this matter myself. I have never sent an agent to Chicago, or written a business letter to that city. When a merchant of Chicago wants the goods I sell, he writes a letter to New York and the goods are sent him, and I am happy to say, that the money is always very promptly paid. But if gentlemen find it for their interest to send a partner, or a clerk to Chicago or Detroit to exhibit samples of their goods, and he stays there a week, two weeks, or three weeks, and sells his goods, it seems to me it is very narrow reasoning to contend that he ought to be taxed as if he were a permanent resident there; as if his children were there, and he had the benefit of the schools, the police, the lighting of the streets, the fire department, and all the other advantages of municipal government. I was delighted to hear it come from Philadelphia, that trade throughout this vast country is to be reciprocal—free as air. (Applause.)

Mr. HASTIE: I suppose South Carolina is the best taxed State in the United States. We in Charleston pay a half per cent. city tax on every dollar's worth of goods we sell. Then we are obliged to pay to the State sixty cents on one hundred dollars for the average of our stocks the whole year round. Now, I am perfectly willing that any itinerant merchant should come in, provided he comes on a fair footing with the rest of us, but I am not willing that he should come there and be exempt from all these taxes. I am of the opinion of the gentleman from Cincinnati, (Mr. GANO) that unless the smaller cities of this Union make an effort to stop this thing, New York, Boston and Philadelphia will absorb the whole business of the country.

Mr. CULLEN: I move to amend by substituting for the resolution the following:

Resolved, That Congress be requested to pass a law regulating the amount to be paid by drummers for the privilege of selling goods in a State; and that Congress prohibit by such law the Supreme Court from deciding upon the constitutionality of that law. (Laughter.)

Gentlemen smile as if this were not a serious matter. I take it this thing can never be effected through the States; they never will comply with your request. Then let us go to the fountain-head and get the power. It is the entering wedge to a great deal that we want to accomplish. We have a great many other things in regard to which we desire the Federal arm to be used, in order to increase the general commercial prosperity, and therefore I hope that you will not consider this a trifling thing. I am in earnest in regard to it.

Mr. COOK: I would propose an amendment, — that Congress be requested to suppress the Supreme Court. (Laughter.)

Mr. TAYLOR, of St. Paul: We may look to the Supreme Court for a decision that will settle this question in favor of the gentlemen who have brought forward this resolution. There is a clause in the Constitution of the United States which provides that "The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States." If, therefore, there is any law in any State of this Union which discriminates against the citizens of other States in respect to these rights of trade and commerce, that law is clearly unconstitutional. I expect a decision from the Supreme Court to that effect, and I am not certain that it has not already been rendered. I therefore feel that these gentlemen have a very powerful ally in the Supreme Court, and I trust they will not be so ungrateful as to turn upon that tribunal, which may prove so useful to them.

I have listened with great interest to the discussion. We at the West are aware that the manufacturers at the seaboard are rapidly becoming their own merchants, and sending their agents to the West. We shall not complain of that, if they bear the same burdens that our local merchants do. But it seems to me that in this discussion, this argument has not been met. You have not established the proposition, in favor of the non-resident merchant or itinerant dealer, that he is subjected to the same burdens as citizens of the State where he sells his goods. Establish the fact that there is some equality between the resident merchant and the non-resident merchant, and I am in favor of the proposition. But if there are local burdens, in the nature of taxation, which are imposed upon our own citizens in the State, and which the foreign dealer escapes, in any degree, it would be giving an advantage to the citizens of other States against our own people, — it would be discriminating in their favor. I shall be compelled to vote against this proposition, although I am in favor of free trade, just as far as possible, and equality and fair play between the people of all the States.

Mr. KIRKLAND : I had no idea of making any remarks upon this question ; but when gentlemen attempt to draw a distinction between imported articles and articles manufactured in this country, when offered for sale in the cities of the interior, I think they are introducing a discrimination that is likely to kill their resolution. I do not think that when Mr. GANO offered that amendment he was really in earnest : that we should attempt to punish the importers of the country because Cincinnati is not a port of entry. I am rather incredulous about that.

Then, again, the importers of foreign goods do not make these municipal laws. These are not made for our protection, and so far as I am concerned, as an importer, I would like to see them all swept away. I agree entirely with the sentiment that has been expressed here, that they are contrary to the spirit of the age, and to the tendency of the minds of business men.

I am very glad to recognize in this body the prevalence of the idea, that trade should be made as free as possible, consistently with the necessities of the Government. But really, as I said before, I can scarcely think that Mr. GANO is in earnest in regard to his amendment. And I would suggest that he withdraw it, with all due deference ; if not, I shall be compelled to vote against the proposition, as will our entire delegation.

Mr. GANO : I want to assure the Baltimore gentleman that I was in earnest. It is within my recollection, that since I have been observing the legislation of the country, the proposition to establish our Western cities as ports of entry has been before nearly every Congress, and has been advocated by gentlemen from the West interested in our prosperity ; and it has met with continual opposition from the representatives of the importing cities, who recognized as binding upon them, doubtless, the interests of their constituents. Now, I have to say to the delegates from those cities here, if they are interested in this matter, let them make their Congressmen do the equitable, just thing for us in the West, and we will reciprocate.

Mr. GRUBB : This proposition came from the Philadelphia Board of Trade, after careful deliberation and much examination, and I hope that it will be voted upon on its merits, pure and simple. I do not want to see it clogged with any additions. If we are defeated, we will look to the next meeting of the Board to give us a larger vote. But I say to those gentlemen on the other side of the house, that in this day of trunk railroads and canals, — in this day of progress and improvement, when we are going to California in six days, the time has

passed when the city of Salem can prevent my young men from going there and selling my goods, or the city of Baltimore, or any other place. I hope that those of us who are in favor of this resolution may be met by a direct vote; and if we are outvoted, we will look to the future, to the progress of enlightenment on this subject, for a better result. I hope that Mr. GANO will withdraw his amendment, and allow the vote to be taken on the resolution, pure and simple.

Mr. RICHARDS : I should not have taken any part in the discussion of this subject if it had not taken a somewhat geographical character. It is assumed by some gentlemen that the West is afraid of the North, or of the Atlantic cities. I do not share in that fear at all, neither do I think my constituents do. We do wish that the prominent cities in the West should become ports of entry. This Board has recommended that they should be so. I have no doubt that a law of that kind will be passed at the coming session of Congress, and I believe the delegates from the seaboard cities are sincere when they say they have no objection to it. I do not think that we in the West desire at all to protect ourselves by any local taxation of commercial travellers. If gentlemen in the West are troubled with competition from the New York dealers, they must do as we do in Chicago,—they must import themselves; and they can do it through the ports on the Atlantic. We have, Sir, in Chicago, the third dry-goods house in the West, and we are not afraid of competition with any other place; and I think, Sir, I represent my constituents in saying that we will vote with the East (or I will, at all events) in opposition to any local taxation of commercial travellers.

Mr. OPDYKE : I am sorry to trouble you with any remarks upon a subject which has already been so thoroughly discussed; but the amendment now before the house strikes me as so invidious, so unbecoming this body, that I hope it will be rejected by an unanimous vote. I can see no reason why a distinction should be made between domestic and foreign goods. Some remarks have been made with reference to merchants in New York who are in the habit of sending out agents, which do them great injustice. It has always been the policy of New York to have her commerce free as the air we breathe. We tax no one on sales, whether a citizen, a citizen of another State, or a foreigner. Our city is to-day filled with the agents of foreign houses, who are there to sell their goods by samples; and the cities of the West, if they would offer the same inducements, would have them also. The true theory of commerce, as it is coming to be understood at the present day, I take it, is, that it is to be perfectly free. Every obstruction placed upon it is a detriment to its prosperity.

Now, with regard to the main proposition, I think its equity and its wisdom must commend it to every intelligent merchant. An objection raised against the resolution is, that it would subject the merchants of a given city to higher and unequal taxation, provided agents can come there from other cities and sell their goods, without paying a license fee. Now, if this resolution pointed to the adoption of the principle, that a travelling agent should be exempt from all the taxes that a resident merchant has to pay, then I would agree that there is force in this objection. I do not understand that to be the principle of the resolution under consideration. Whatever local tax on sales may exist in any given State or city, (as the gentleman from South Carolina informs us such a tax exists in his State) I take it for granted the agent would be required to pay, and that is to destroy discrimination between the citizens of different States. All I ask is, that the two shall be put on a perfect equality.

Now, I will say, in regard to taxation, that to tax commerce is one of the most unwise and impolitic modes of taxation which can possibly be adopted. In my own State, and I believe in nearly every other State, the policy of taxation is to place it upon property. There is where it belongs, and I believe that every city that gives this perfect freedom to its commerce, will so enlarge that commerce and increase its wealth, that the burden of taxation will be lightened. That will be the ultimate effect.

Mr. ROPES : As the gentleman from Philadelphia has accepted the amendment offered by the gentleman from Cincinnati, I beg to move, as an amendment, to substitute the original resolution for the amended one now before us.

The amendment proposed by Mr. ROPES was agreed to, and the resolution passed, by a vote of 42 to 12.

The Board then adjourned to meet on Thursday, at ten o'clock, A. M.

SECOND DAY.

THURSDAY, DECEMBER 2, 1869.

The Board was called to order at ten o'clock by the President.

Prayer was offered by the Rev. Mr. NOLLEY, of the Methodist Church, Richmond.

The journal of yesterday was read and approved.

Mr. EGAN : I desire permission to offer a resolution of courtesy :

Resolved, That a Committee of five be appointed by the President to wait upon His Excellency, the Governor of Virginia, and to invite him to visit the Board at its present session.

The resolution was adopted, and the Chair appointed the following gentlemen as the Committee :

W. M. EGAN, Chicago,	
E. H. JEFFRIES, Philadelphia,	J. S. ROPES, Boston,
S. B. CHITTENDEN, New York,	J. W. TAYLOR, St. Paul.

The President introduced to the Board Mr. WILLIAM E. LAWRENCE, of New York, the President of the National Tobacco Association.

The PRESIDENT : I will announce as the Committee on Uniform Conveyances of Land, —

J. W. TAYLOR, St. Paul,	
J. S. T. STRANAHAN, New York,	R. R. KIRKLAND, Baltimore.

Mr. EGAN : The Committee appointed to wait upon His Excellency, the Governor, have performed the duty assigned them. They

found the Governor in his chamber, where he received them with much courtesy; he expressed the greatest interest in the objects of the Board, and he hopes to visit it at some time before its final adjournment, but he had just received a telegram requiring his immediate presence at Norfolk, and therefore he must postpone his acceptance of the invitation for a day or two.

A communication was read from the Transportation Committee of the Richmond Chamber of Commerce, explaining the arrangements which had been made for the return fares of the delegates.

Mr. KIRKLAND: I move that the thanks of the Board be presented to the Richmond Chamber of Commerce for the great pains taken by them in arranging these facilities.

Carried.

Mr. JONES: I move that the thanks of the Board be tendered to those railroad companies who have offered us free return passes over their routes.

Carried.

The PRESIDENT: The next business in order is the consideration of the tenth article on the programme.

X. UNIFORMITY IN CORPORATION LAWS.

The propriety of an effort to attain uniformity in the laws of the several States which relate to the organization of corporations, especially in those provisions which relate to the liabilities of subscribers to the stock of joint stock associations.

Mr. GANO: I move its reference to the Executive Council, authorizing them to employ a Committee, if necessary, outside their body, but among the members of the Board.

Mr. WETHERILL: I think perhaps it would be better for us to act upon the principle, and then instruct the Executive Council to carry it out.

Mr. CHITTENDEN: I move to amend so that the approbation of the Board may be given to the principle, and then that the proposition be referred to the Council.

Mr. GANO accepted the amendment, and his motion, as thus amended, was adopted.

XI. A GOVERNMENTAL DEPARTMENT OF COMMERCE.

Resolved, That Congress be requested to establish a new department of the Government, to be known as the Department of Commerce, to which shall be committed the foreign and coastwise trade, and ship-building, and the navigation interests of the country.

Mr. LONEY : The interests involved in this subject are so manifestly important, that I think it will hardly be necessary to make any speech upon it. One of the chief reasons which induced the Baltimore Board to offer this resolution was, that the proposed department would be the medium through which this Board could bring its wishes to the notice of the Government, and through which it could operate in a more effectual way than it can at present. I hope the resolution will pass without any opposition.

Mr. WETHERILL : I fully indorse every word that has been said by the gentleman from Baltimore. I believe that the National Board of Trade was created for this very purpose, — to see to it that the mercantile and manufacturing interests of the country are properly cared for at Washington. But, Sir, I do not think this resolution is broad enough. I therefore move to amend it, so that it shall read as follows :

Resolved, That Congress be requested to establish a new department of the Government, to be known as the Department of Trade and Commerce, to which shall be committed the foreign and coastwise trade, and ship-building, the navigation interests of the country, and its internal trade.

It seems to me that while commerce is an important element, in a department of this kind, trade and the manufacturing interests of the country should be included. If we have a Department of Agriculture, and a Department of Commerce, why should we not also have a Department of Manufactures, — the three sisters which unite together and work together for the common interests of the country? I hope the amendment, as offered by Philadelphia, will be accepted by Baltimore.

Mr. KIRKLAND : I would, in behalf of the Baltimore Board of Trade, merely remark, that they are not wedded to any particular form of resolution. They do not object that Trade, Commerce and Manufactures, the three sisters spoken of, should be united under the care of the Government. The resolution was drawn up hurriedly,

and was designed to call the attention of this Board, and of the country, to the fact that our mercantile, manufacturing and industrial interests should be represented at Washington by a *department*. The Baltimore Board, at various times in the last fifteen years, have presented this subject to Congress through their own representatives. Since we first agitated it, the Department of the Interior has been created, which looks after agricultural, and, in a measure, manufacturing interests, but not those of commerce. England, France, Prussia, and United Germany, each has a Department of the Government, which takes cognizance of the interests of commerce and trade, and seeks to promote them; and certainly it would seem to be very desirable that we should have such a department in the United States.

I cheerfully accept, in behalf of the Baltimore Board the amendment of the gentleman; and if there are any gentlemen here from the South or the West who have felt, as we have felt, a desire that there should be at Washington a Department to which mercantile men can go and present their grievances, I desire them to unite with us in the endeavor to devise some practical plan to that end.

Mr. HOW: I desire to offer an amendment, to strike out the word "Department," and insert "Bureau."

Mr. WETHERILL: I should like to hear from Chicago as to the difference between "Bureau" and "Department."

Mr. OPDYKE: I am very much rejoiced that this proposition has been brought before the Board. I deem it not only a very important, but a very wise and necessary movement. We all know that when our Government was formed, it was clothed with the power to regulate commerce between this and foreign countries, and among the several States. We know also that with the present extension of our railroad system and other works of internal improvement, and with our extended foreign, as well as domestic commerce, this has come to be, I venture to say, the most productive department of industry in our country, not even excepting agriculture. When we come to look at it in all its ramifications, we see that it aggregates, annually, more than any other, probably. This being its magnitude and importance, it strikes me as eminently proper that the Government should establish a Department to watch over its interests, and to promote its welfare; and I can hardly bring my mind down to the level of a Bureau for a branch of industry so important as this. A Bureau, as I understand the term, is simply a subordinate section of a Department of the Government. If we have established an Interior Department,

which is merely concerned in watching over the agricultural interests of the country, why not establish a Department to watch over the interests of commerce? For my part, I decidedly prefer the original proposition, that we ask Congress to establish a Department to take charge of this, the most important of the interests of the country.

Mr. COOK : The question was asked as to the difference between "Department" and "Bureau." If we request Congress to create a Department to take charge of this specific interest, of course we ask it to create a new Cabinet office, which would make a very important change in the administration of the affairs of the Government. But if it is to be simply a Bureau, which would come under the immediate supervision of the Treasury Department, to which it properly belongs, I am decidedly in favor of it. I am in favor of having a Bureau, but not a Department.

Mr. ROPES : I very much prefer the word "Department" to the word "Bureau," and I entirely agree with the amendment proposed by the gentleman from Philadelphia. It is impossible to separate the foreign from the domestic trade, and although Commerce, in its broadest sense, involves and includes the whole, I think it is proper to add the word Trade, as being more intelligible. The word Commerce, including all the trade and commerce of the country, covers a very large and important part of its industry. To narrow it down, and to limit it to the dimensions of what is commonly understood by a Bureau, it seems to me would be to deprive it entirely of its proper place and dignity among the various interests of the country. If anything is entitled to the dignity of a department, and to departmental government, it is undoubtedly the trade and commerce of a nation, by means of which its whole industry is distributed and brought into contact, so to speak, with the people. I therefore advocate strenuously the retention of the word Department.

Mr. KIRKLAND : The Baltimore Board of Trade certainly would not accept any amendment that would lessen, or seem to lessen, the importance of this subject, which they have presented to this body. I perfectly agree with my friend (Mr. ROPES) that this subject is so important that a Bureau would not meet the requirements of the case. This would be entirely under the control of the Secretary of the Treasury, who has enough to do in looking after the financial affairs of the country, without undertaking to manage in detail the commercial questions which arise from day to day, even in the city of

New York alone, to say nothing of the entire country. I know from my own experience, how almost impossible it is to bring the mind of the Secretary down to a commercial question. For the past three months I have been in correspondence with the Treasury Department, and all I can get are mere formal letters, written by some subordinate. I do not believe that the Secretary has had his attention called to the subject. He has been absorbed in preparing his report, and in devising means to reduce our national debt, and to secure a return to specie payment. The questions with which he has to grapple are so vast and various, that it is impossible for any one man to deal with them. I contend that we want in this country, with its increasing commerce, which is building up its material prosperity, a Department, or something which shall be competent to consider and settle the many questions which arise, in commercial affairs; and to meet the demands which commerce may make upon it. We do not want to create a new office to reward some politician; but we want a Department, presided over by such a man (I say it with no intention of paying a compliment) as it has been our good fortune to have to preside over this body. (Applause.) We want a man of character, of intelligence, and of experience, who will look at commercial questions as they come up, without regard to whether they may be made to benefit this party or that, or whether they will redound to the credit of this man or that, but solely with the purpose of protecting and fostering all the great interests involved.

As I said before, we in Baltimore have been endeavoring, for the last fifteen or twenty years to induce the Government to take into consideration this subject; and to establish a Department of Commerce. Heretofore, we have been unsuccessful. Although the subject has been presented by our Senators and Representatives, it has been allowed to go quietly to sleep, and has never been thought of again. Now, I say, the National Board of Trade, representing all sections of the country and all parties, can, by proper representations, induce Congress to look at this question. And if they give it that attention which its importance demands, I believe they will consent to establish a Department of Commerce, such as they possess in the commercial nations of Europe. Therefore I hope the amendment that has been proposed will be voted down.

MR. GRUBB: I think it would be well to consider the way in which Great Britain has looked upon this matter of commerce and trade. It is considered of so much importance in England that they have placed at the head of the Department of Trade and Commerce

the foremost mind of that country, JOHN BRIGHT, who is President of the Board of Trade. I hope the proposition made by Mr. WETHERILL will be accepted. I was struck with Mr. KIRKLAND's remark, that we cannot get anybody in Washington to understand us. I have been there, and it really seemed to me that I encountered nothing but utter ignorance on commercial subjects. I am willing to say it boldly, what we want is men of our own way of thinking, to lay before Congress the views and demands of business men, and I do think we should adopt all parts of that resolution, and go forward in that way.

Mr. TREZEVANT: The force of language often consists in its simplicity. I can see nothing by which the resolution before us can be made stronger or more simple. If we go into all the details of commerce, trade and navigation, we may multiply words, and yet not make the idea more forcible than it is on the paper as printed before us. That means everything we need, everything we ask. We do not profess to be ready to present details. We simply ask for a Department, to watch over the interests of commerce, which now, on land and sea, moves not only the body but the intellect of this country. I hope that the members of the Board will conclude that the Baltimore delegation have done their duty in presenting the idea in forcible, terse, strong terms, which may be modified by Congress to meet the wants of the country. I hope my friend from Philadelphia, (Mr. WETHERILL) will withdraw his amendment, and allow the resolution to go to the country as a perfectly plain and simple idea enunciated by this Board.

Mr. JEFFRIES: Probably this is the most important question which the Board will consider at this session. I like the amendment of my friend Mr. WETHERILL, to add the word "trade." It seems to me that the commercial and industrial interests of this country will be promoted by the establishment of the proposed department, and I think the business men of the country should demand it of the administration, so that there may be a place to which they can go to seek and obtain their just rights. I think it is high time for the business men of this country to lay the politicians on one side, and to demand of Congress, in behalf of the true interests of the country, legislation for the protection of our commerce and trade. I therefore trust and hope that this resolution will be unanimously adopted.

Mr. RICHARDS: I move to amend the resolution, so that it shall read as follows:

Resolved, That Congress be requested to establish a new department of the Government, to be known as the Department of Commerce, to which shall be committed the navigation and commercial interests of the country.

The resolution will then cover the entire question of water transportation, external and internal, and of course, if we are to have a department devoted to that purpose, it should be as broad as possible, and cover inland and external transactions. It is a fact, that the questions of land transportation are becoming not only of as great but greater importance than those of water transportation, and I think, if we are to have a department of this kind, it should include the latter, in other words, railroad transportation. For that reason, I move the amendment.

Mr. OPDYKE: I approve entirely of the addition of land transportation, and if the amendment had not been offered by the gentleman, I should have offered it myself. If we use the word "commerce," which embraces all, very well; but when we undertake to specify, if we leave out one of the most important elements, it may be regarded as modifying the original word. Therefore, if we come down to details, it is very important that we include land transportation, because I suppose that employs more capital and produces more profit than even the navigation interests. Commerce consists of the transportation, exchange and distribution of commodities. We want to embrace all those three branches of commerce. It strikes me that if the gentleman who offered the original resolution will let it stand, and add the word "transportation," we shall then have it exactly right. I believe it will then embrace the whole.

At the suggestion of the President the question was first put on the motion to substitute "Bureau" for "Department," and it was lost.

The PRESIDENT: The resolution is now before the house for general amendment.

Mr. HAZARD: I should like to substitute for the words "commerce and trade," "commerce and transportation." "commerce" and "trade" are synonymous terms. The subject of transportation probably interests this country, particularly the West, more than any other before us. It is a question of supply, in one sense of the term; a question as to what country shall supply the breadstuff markets of the world. We are now struggling against foreign competition.

Russia is our great competitor in the sale of breadstuffs, the market for which is really the United Kingdom; we have but little demand from any other quarter.*

It seems to me that this matter of transportation should be made a subject of inquiry by the Government, and that there should be a department which should take it under its especial care. I would therefore move that instead of the word "trade" we use the word "transportation," so that the resolution will read:

"That Congress be requested to establish a new department, to be known as the Department of Commerce and Transportation, to which shall be committed the foreign and coastwise trade and ship-building, and the internal trade and navigation interests of the country."

Mr. DORE: I would move, for the simplicity of the thing, that the resolution read: "That Congress be requested to establish a new department of the Government, to be known as the Department of Commerce and Transportation," and stop there.

Mr. OPDYKE: I am constrained to oppose the amendment now before the Board. I think it is liable to the same criticism which was made by the gentleman from Buffalo (Mr. HAZARD,) in regard to the use of the words "commerce" and "trade;" it is tautological. Transportation is a most important department of commerce. Commerce, in the scientific signification of the term, as used by all political economists, embraces transportation, exchange and distribution. MILL, in his Political Economy, calls it the department of exchange, using the word "exchange" in the place of "commerce." When he comes to treat of the subject, he makes transportation the most important department of exchange. I hold that it would be entirely

* In connection with Mr. HAZARD's remark in the text, the Secretary thinks that the following table may be of interest, giving the imports of wheat for several years past into the United Kingdom from the United States, in comparison with Russia.

United States. Qrs.	Years.	Russia. Qrs.	United States. Qrs.	Years.	Russia. Qrs.
465,658.....	1852.....	706,400	2,414,864.....	1861.....	1,002,888
686,766.....	1853.....	1,053,460	3,586,814.....	1862.....	1,278,004
402,140.....	1854.....	482,060	1,934,310.....	1863.....	1,007,622
239,686.....	1855.....	war year	1,754,446.....	1864.....	1,137,606
1,232,774.....	1856.....	731,286	261,692.....	1865.....	1,798,658
626,652.....	1857.....	680,212	141,164.....	1866.....	1,986,044
572,620.....	1858.....	589,542	930,663.....	1867.....	3,116,718
35,538.....	1859.....	852,686	1,313,922.....	1868.....	2,234,136
1,443,852.....	1860.....	1,252,954			

proper and sufficiently comprehensive for this Board to use the word "commerce" alone, because it embraces all departments of exchange, all departments of trade, and all departments of transportation, whether on water or on land, whether external or internal; but inasmuch as Congress might not know the full breadth of meaning that we intend to give to the word "commerce," I think it altogether proper that the resolution should specify what it is intended that the proposed department shall cover.

Mr. KIRKLAND: The Baltimore Board of Trade, in presenting this resolution had the same idea of the meaning of the word "commerce," as has been expressed by the gentleman from New York (Mr. OPDYKE) so entirely to my satisfaction; that is, by the word "commerce" we meant trade, transportation and everything pertaining to the exchange of commodities between one place and another. You produce some article in excess, and you want to transport that excess to some other place, and to exchange it, by means of money, for some other article which you do not grow. That is commerce; and the word "commerce" comprehends everything.

Now, amendments have been proposed to the original resolution, for the purpose of putting in words what is implied by the one word, "commerce," because that word certainly does imply all that gentlemen seem to desire; but to meet their views, and to express what has been thought to be implied in it, we propose that the resolution shall read as follows:

Resolved, That Congress be requested to establish a new department of Government, to be known as the Department of Commerce and Trade; to which shall be committed the foreign and domestic, coastwise and inland trade, and ship-building, and the navigation and transportation interests of the country.

This resolution is tautological, beyond any peradventure. There can be no question but that a blind man, or a deaf man, would know, that everybody wanted everything put in, so that there should be no misunderstanding.

Mr. HOOPER: I would suggest to Mr. KIRKLAND that the resolution should read, "That Congress be requested to establish a new department of the Government, to be known as the Department of Trade and Commerce, to which shall be committed the navigation and transportation interests of the country." I think that covers the whole ground.

Mr. KIRKLAND : No, Sir, it does not cover the whole ground, because, while transportation is necessary to trade, transportation is not always commerce. We who are engaged in commerce are interested in questions of revenue, values, weights and measures, and various other questions connected with the currency of the country, which certainly are not embraced in the words "transportation" and "navigation." Transportation and navigation are necessary to the conduct of commerce, but they are not all of commerce. Commerce creates transportation, and transportation is necessary to commerce ; but transportation is not commerce ; it comprehends various other matters, which we need a department to take charge of. If commerce were only transportation and navigation, it might not require a department, but as it comprehends interests very different from these, we think there should be a department, to which the whole may be committed. These lines of transportation are created for what? For commerce ; it is commerce that makes them valuable. Therefore, with due respect and deference to all the views that have been expressed, I draw the conclusion, that this body largely, if not unanimously, agree with the Baltimore Board of Trade, that the requirements of commerce are of sufficient importance to warrant us in asking from the Government, that a department may be created to take care of these varied interests, including navigation, transportation, foreign, domestic and inland trade ; all of which are embraced in this one word "commerce."

Mr. DORE : Right there I should like to ask a question. If the word "commerce" is so all-embracing as the gentleman contends, — which I do not wish to dispute — why does he go on and specify some things and omit others?

Mr. KIRKLAND : They are all embraced in that word ; but there is an idea in the minds of some, and it is expressed in this amendment, that commerce is something that is carried on by people who live by the seaside or on the water.

Mr. DORE : I would suggest that one thing specified here would really come under the head of manufactures, — "ship-building."

Mr. RICHARDS : I have no objection at all to the proposition made by the gentleman from Baltimore, with one exception. I wish to ask him and the other gentlemen present, if it is not true that they will say more than they mean if they use the word "trade"? I suppose the Baltimore Board of Trade, in presenting this proposition, had reference to the commerce and transportation of the country. If

the word "trade" is used, does it not include pretty much all the business of the United States? And if so, is it not a practical abolishment of the other departments of the Government? I believe the word "trade" covers almost the entire extent of human wants, so far as Government is concerned, except, perhaps, the protection of the person. I believe the word "trade" is a more comprehensive word than we want to use. I suppose the resolution is intended to cover the questions of transportation and ship-building, and inland transportation as well as external, and I think the word "trade" should by all means be omitted.

Mr. TAYLOR, of St. Paul : I simply desire to read a resolution, and I would prefer to vote for it. The term "commerce" is known to the Constitution, "Congress shall have power to regulate commerce with foreign nations, and among the different States." We approach Congress, and it seems to me proper that we should use that term which has a constitutional sanction and usage. The term "trade" may be equally or more comprehensive ; it seems to me rather tautological ; but nevertheless, under the circumstances, I should be satisfied with the simple designation, "the Department of Commerce." The idea of specifying ship-building is certainly open to the objection suggested by the gentleman from Chicago, (Mr. DORE.) It is no more appropriate that we should specify ship-building than car manufacturing, or wagon-making, or the manufacture of any other description of vehicle. I should like to vote for a resolution in these words :

Resolved, That Congress be requested to establish a new department of the Government, to be known as the Department of Commerce, to which shall be committed the foreign, coastwise, and inland trade and navigation, and the transportation interests of the country.

Mr. KIRKLAND : The gentleman from Chicago (Mr. DORE) asked a question which I did not answer. My friend, Mr. TAYLOR, also strikes at the very point which the author of this resolution had in his mind when he offered it. I came to this meeting, taking it for granted, without having closely examined the programme, that the question of the condition of the shipping interests of the United States would be presented to this Board. Gentlemen from various parts of the country have asked me, "When is the ship-building interest coming up? How is it to be brought up in this body?" That it

will be brought up, I have no doubt. There are one or two questions upon the programme, which will probably involve a discussion of the present condition of the American shipping interest.

But, as I said before, my friend from Chicago asks, "Why do you put in ship-building?" Mr. TAYLOR says ship-building has no more business to be mentioned in the resolution than car-building or wagon-building. I beg to tell gentlemen living in the interior, that the shipping interest is a vital question, affecting all the interests of this country. Day by day, the number of our ships is being reduced. Ten years ago we were, with rapid strides, becoming the first maritime power in the world; now we are one of the smallest. In view of the vast commercial interests of this country, with a seaboard extending from Maine to Alaska, with products the most valuable, the most varied, and the most bulky of any country in the world; with navigable rivers and streams, running to the ocean, on either side of the continent; will you tell me that the people will long suffer the National Legislature to neglect the shipping interests of the country? They will demand such a modification of the laws as will again put our flag upon the ocean, covering our own products, and relieve us from the humiliating necessity of depending upon England, Prussia and France as our carriers. They will demand that we shall become our own carriers, which we are not now; simply because the legislation of the country has *killed* this important interest!

This ship-building interest, therefore, was prominently in the mind of the proposer of this resolution in the Baltimore Board of Trade. The word was interpolated there, not because the subject was not covered by the word "commerce," but that this department when established, might take up this question, which has agitated the commercial men of this country, "What shall be done to restore our ship-building interest?" And if, as I said before, the commerce of this country is largely dependent for its prosperity upon the existence of a mercantile marine, the fostering of this marine, the restoration of which, we confidently expect, will be brought about by legislation, will properly belong to this department, which we, as commercial men, ask the Government to establish. I hope, therefore, that the amendment of my friend from St. Paul (Mr. TAYLOR,) will not be carried. We do not want this word stricken out. Ship-building, under our laws, is now impossible; the building of cars and wagons is not impossible. No one goes to Europe to import a wagon or build a railroad car; we ship them abroad. But where are we in regard to our ships? We used to build ships not only for our own carrying

trade, but for the commercial world. There never was a period in the history of my own city, before the war, when there were not more or less vessels on the stocks. Now, one of our papers chronicles it as a remarkable fact, that a schooner of fifty-five tons has been launched this summer.

This is a grave question. I did not intend to bring it in here, but the question of the gentleman from Chicago, and the amendment of my friend from St. Paul, have called forth this expression of our views. We had an object in putting in this word, and we hope it will not be stricken out; and I would again ask gentlemen, in all frankness, to allow our resolution to be acted upon as it was originally presented. I think it is comprehensive enough, and I think it should embrace, as it does, the ship-building interest, which is the handmaid of commerce, and which requires an immediate change in the legislation of the country to restore it to its former prosperity.

Mr. TREZEVANT: I will suggest a modification of the resolution, which will still further simplify the language, and yet comprehend the whole question. I agree with Mr. ROPES and Mr. OPDYKE in their definition of commerce. It is a very comprehensive term. My friend from Baltimore (Mr. KIRKLAND,) will readily understand that foreign commerce cannot exist without ships, and therefore foreign commerce includes ship-building. Therefore, if I may be allowed, I would suggest what I desire to offer as an amendment:

Resolved, That Congress be requested to establish a new department of the Government, to be known as the Department of Commerce, to which shall be committed the foreign and domestic trade of the country.

If that is not comprehensive, without going into details, I do not understand the meaning of language; and, as I said when I rose first to address the house, I think the more simple we make our words, the clearer and better they are understood.

Mr. HAZARD: I hope that the resolution as offered by the Baltimore Board of Trade, as regards ship-building, will be allowed to remain. I can see very great propriety in it. It takes a very wide range. We need information in this country in regard to the cost of ship-building, and the best mode of constructing vessels for the ocean, and for our lakes and canals. The head of this department, whose duty it will be to report upon all these different interests, when he

takes this subject into consideration, will report upon the cost of building ships, and the difference in cost between wood and iron, which has now become a very important consideration, as affecting the question whether we are to substitute iron ships for wooden ones.

The word "transportation," also, takes a wide range. It would be very interesting to know the cost of transportation through the different routes of the country — by rail, by canal, by the lakes; to know the cost of the transportation of a bushel of wheat from Mississippi to the port of Liverpool, or London, to New York, Norfolk, Richmond, or any other port in the country.

I hope that this resolution will take the broadest range. I can see no reason why we should cut it down. It expresses all we want.

Mr. BROWN: I would like to say, that coming as I do from a State largely engaged in commerce, and formerly very largely interested in ship-building, I do not desire that ship-building should be included in the resolution. If we pass a resolution leaving out everything with reference to ship-building, I think my constituents would be quite content. I believe, if we have a department which takes cognizance of and protects and fosters the interests of commerce, that department will understand that the very foundation of commerce is ships, and that ships cannot exist unless they are built. I think it would be just as proper, if we had a Department of Manufactures, that some specific branch of manufacture, such as machinery, for instance, should be mentioned, as that ship-building should be specified in this resolution. Manufactures cannot exist without machinery, and commerce cannot exist without ships. Ships will be built if commerce is protected. Therefore I should be quite satisfied to have nothing said about ship-building, and to make the resolution simple, and to the point, that the Government be requested to establish a Department of Commerce and Trade.

The question was then put on the amendment proposed by Mr. DORE, and it was lost.

Mr. ROPES: I suppose we all have a right to offer amendments. I am very unwilling to exercise that right, and while I sympathize heartily with what Mr. KIRKLAND said about ship-building and the importance of ships, I should be willing to have the word struck out, provided I have the thing. I think a number of expressions have been introduced which are objectionable to various members of the Board; and if we can unite on some general expression, which will hit the sentiment of all, would it not be better, so that the resolution

may go to Congress with the support of an unanimous vote here, rather than to quarrel about one or two words, which may have a slightly different meaning from the words we would employ? It seems to me it would be a mistake to commit the trade and commerce of the country to any department of the Government. They are committed to those who carry them on; but a department of the Government may consider all the questions relating to them, and that is the only way in which I should wish to commit trade and commerce to the Government. I should not want to commit my business to Congress (laughter;) I should want, in that contingency, to sell out.

Now, I have asked my friend, Mr. KIRKLAND, to take this resolution as a substitute for all the propositions presented, and I think it will be agreed to by the gentlemen around me. Its only merit is its extreme simplicity :

Resolved, That Congress be requested to establish a new department of the Government, to be known as the Department of Commerce, to which shall be referred all questions connected with our foreign and domestic trade.

Ship-building is included, and everything else is included which it would be desirable to bring before such a department.

A DELEGATE : I move to amend by inserting the word "navigation."

Mr. ROPES : I ask if "navigation" is not included in "foreign and domestic trade" ?

The PRESIDENT : The amendment is not in order, unless Mr. ROPES accepts it.

Mr. ROPES : I do not, Sir; I think it is embraced in the resolution.

Mr. HAZARD : Will the gentleman accept "transportation" ? It seems to me that embraces a great deal, and information on it is what the country requires.

Mr. ROPES : I will accept it if the Board desire it; but individually, I do not desire it.

SEVERAL DELEGATES : "No," "no."

Mr. OPDYKE : I am very unwilling to offer any opposition to a proposition which seems to meet the unanimous approbation of the

Board. I asked the gentleman privately to insert a single word, which he declined to do. I will ask him again. I am very anxious that the resolution should embrace exactly what we need. If I understand the meaning of the word "commerce," it takes in everything relating to the transportation, exchange and distribution of commodities. If I understand the technical meaning of the word "trade," it relates to the *exchange* of commodities, not to their *distribution*. The resolution reads, "to which shall be referred all questions connected with the foreign and domestic trade." I asked the gentleman to add the word "transportation," because I think when the word "trade" is used it implies simply the act of exchange, and not transportation; and I ask him again, if he will not assent to the addition of the word "transportation," so that it shall read, "all questions connected with the foreign and domestic trade and transportation of the country." Then Congress cannot mistake our meaning. I am very desirous that the word "transportation" should be added, because I think one of the most important interests connected with commerce, at this time, is inter-state transportation. The railroads are consolidating and monopolizing the transportation of the country, and I hold it to be the specific duty of the Government to interfere and prevent the effect of these monopolies, and to secure commerce from their withering, blighting effects. Therefore I desire that the word "transportation" should be inserted in the resolution. It is the proper supplement to the word "commerce." It makes the whole of the word "commerce."

Mr. ROPES : I will explain how it strikes me. My own individual opinion is, that transportation is a subject connected with foreign and domestic trade. I do not see how I, living in Boston, can carry on trade with Chicago, without transportation between Boston and Chicago. At the same time, as I said before, my only object in drawing this resolution has been to reconcile the conflicting opinions of this Board, to make the resolution as specific as possible, and yet obtain a clear and full majority. Now, Sir, if there is any way known to you by which the Board may decide for me, whether I shall accept the word "transportation," or abide by the resolution as I have drafted it, I will with the greatest pleasure submit to the judgment of the Board. If I am compelled to decide for myself I do not think it is arrogant in me to decide on my individual opinion, which is that "transportation" is included in the resolution as it stands.

Mr. MONROE : I do not wish to detain this house one moment, but I will make a suggestion. I am very much pleased with the pro-

position of the gentleman from Boston. I think that the phrase, "connected with the trade and commerce of the country," covers everything — transportation, ship-building, and everything else. But I do not like the expression, "to which shall be referred," and the word "questions," which presupposes that something has been considered somewhere else, and a question raised. I would suggest that the language should be, "which shall have charge of all matters connected with the foreign and domestic trade of the country."

The question was then put on the substitute offered by Mr. ROPES, and it was carried.

Mr. STRANAHAN: I move to amend the resolution by adding the word "transportation."

Mr. TREZEVANT: I rise to ask one question of Mr. OPDYKE. I would like to know, before voting, if Mr. OPDYKE intends that the Government shall regulate the railroad transportation of the country?

Mr. OPDYKE: That which crosses state lines. I think it has the power to do that.

Mr. STRANAHAN'S amendment was adopted.

Mr. ROPES: It will be necessary now to make a slight modification in the language. "To which shall be referred all questions connected with our foreign and domestic trade and transportation," will not sound well. I suggest as a modification, "to which shall be referred all questions connected with the foreign and domestic trade and transportation of the country."

The PRESIDENT: Shall the gentleman have leave so to modify his resolution?

Leave was granted, by general consent, and the resolution finally passed in form as follows:

Resolved, That Congress be requested to establish a new department of the Government, to be known as the Department of Commerce, to which shall be referred all questions connected with the foreign and domestic trade and transportation of the country, and that the Executive Council be requested to memorialize Congress to that effect.

Mr. HOW: The Committee on Credentials report favorably on the application of the Board of Trade of Cincinnati, the Corn and Flour Exchange of Richmond, and the Petersburg Commercial Exchange, and cordially recommend the reception of the delegates from the several bodies.

The report was accepted, and each of these bodies was admitted to membership.

XII. — THE IMPROVEMENT OF RIVER NAVIGATION.

Resolved, That the National Board of Trade fully indorses the Memorial to Congress issued by the Mississippi River Improvement Convention, held at Keokuk, Iowa, on the 7th of September, 1869, and especially urges upon Congress the appropriation of a sufficient sum to complete the improvements now in progress on the Mississippi and Ohio Rivers, and at the mouth of the Mississippi, and to keep this great national outlet for the valley, free from all obstructions.

Mr. COOK: There are four or five propositions here of a similar character, — numbers twelve, thirteen, fourteen, fifteen, and sixteen. I move the following resolution :

Resolved, That propositions twelve, thirteen, fourteen, fifteen and sixteen, referring to bridging and improving navigable rivers, be referred to a Committee of five, whose duty it shall be to report a resolution or resolutions embracing the several propositions.

The resolution passed, and the Chair said he would take time to nominate the Committee.

XVII. — REGULATION OF RAILWAY FREIGHT CHARGES.

The passage of a law by the Congress of the United States, so regulating the freight tariffs of all railroads as will compel them to transport local freight and passengers at the same *pro rata* per mile as is charged for what are known as through freights and passengers.

Mr. HASTIE: I move that the resolution lie upon the table. We have no more right to say what a railroad shall charge than we have to legislate upon the property of individual members of this Board. (Applause.)

Mr. KIRKLAND: I will ask the gentleman to withdraw that motion, as the delegates from St. Louis are not present, and I will move that it be laid over until Saturday afternoon.

Mr. HASTIE: I prefer not to withdraw the motion.

Mr. HOLTON: I desire to ask if the gentleman from South Carolina observes that this proposition comes from the St. Louis Board of Trade, whose representatives are not present here?

Mr. KIRKLAND : I ask it as a matter of courtesy.

Mr. HASTIE : On that ground, I will withdraw it.

The PRESIDENT : The motion now is, that the consideration of this proposition be postponed until Saturday afternoon.

Mr. McCREA : I am opposed to that motion, for the reason that we do not know that the St. Louis delegation will be here on Saturday. They are not here yet. We have come here as business men, and we want to transact the business of this Board and go home. If others are not here, it is not our fault. I hope therefore, that there will be no more postponements, but that we shall go right along with the deliberations of this Board on these subjects as presented, do up our business and go home. If we wait until Saturday, the St. Louis gentlemen may not have arrived then. I do not know that we have any official information that they are on the way. I will ask the Secretary if he has any information to that effect?

Mr. HILL : The credentials of the delegates of the St. Louis Board of Trade have been received, and one of them is in his seat. I understand that three other gentlemen have been appointed. I have no official information that they are on their way.

Mr. McCREA : Since we have no definite information upon that point, I think we should go on with the business of the Board. If these delegates are not here to take part in the discussion of this question, it is their misfortune.

Mr. HASTIE : I think if there is one delegate here from St. Louis, it is sufficient. My colleague is not here, but I should not ask anything to be laid over on that account. I think the gentleman who is here should represent the St. Louis Board, and that these questions might be disposed of at once. As the gentleman (Mr. McCREA) observes, we are all very anxious to get through.

Mr. STRANAHAN : Our friend from St. Louis wants to be let down rather easily ; why not do it, and postpone this question until Saturday afternoon, as he desires ?

Mr. CULLEN : I wish to inform the Board that Mr. FISK and the President of the St. Louis Board positively informed me last Sunday evening that they would be here by Friday evening, certainly. The President requested me to ask it as a courtesy of the Board, that this question be postponed until they could get here ; not that they have more intelligence than the other gentlemen present, representing these interests, but that they have as much real concern in the passage of these propositions as any men can have who represent the various sections of the community.

Mr. McCREA : I do not think it right, in view of the fact that the time of the members of this Board is so valuable, that we should be asked to do this thing. I do not like the idea of a delegation, having an important subject in charge, asking us to await its arrival. If it were of great importance to them, they should have been here, as the other delegates are here. The routes are all clear. Suppose we should get our work all done before Saturday, and the delegation should not be here ; under this resolution we should be compelled to await its arrival. I would renew the motion made by the gentleman from Charleston, that this proposition be laid on the table.

Mr. RICHARDS : I differ entirely from my colleague. I look upon this as a question of courtesy.

The PRESIDENT : Wait a moment. Your colleague has moved to lay it on the table.

Mr. McCREA : In order to get at it, I would move an indefinite postponement.

Mr. ROPES : I wish to say, that though I entirely agree with what has been said, that any delegation which has proposed a subject ought to be here in time to advocate it, or show good reason for not being here ; yet it does seem to me, that while none of us, perhaps, can vote for the proposition in its present form, it opens a subject eminently worthy of debate by this Board. The railroad system is essentially a monopoly. When you have got a railroad between two distant points, you have made competition there virtually impossible. If you allow that company to consider that right of way as their private property, and to charge ten cents a mile, when they can afford to carry passengers for two or three cents, — and we have an instance not far off, to which I need not refer more particularly, — I say, if such extortion and tyranny are practiced, and there is absolutely no tribunal to which we can appeal which can abate the nuisance, I think we are very badly off. It is not right that the transportation of the country should be under the control of private interests. It is a business legitimately subject to control, either by the Government of a State or of the nation. I certainly should not vote to put it into the hands of the nation in this style ; but I am very anxious that these gentlemen who suppose that they can put passengers into their pockets, as it were, and make merchandise of them, and make them pay double, treble, four-fold the cost of transportation, should be made to understand that they are committing a great wrong against the nation, and against individuals. Wherever there is a virtual monopoly, there should be governmental restraint upon that monopoly.

Mr. CULLEN: I thank the gentleman from Boston for his interposition in behalf of St. Louis. I would also thank the gentleman from Chicago for the great interest he feels in St. Louis in this particular. (Laughter.) It is, perhaps, for the advantage of the lake cities that this question should not be discussed, because the fact might be developed, as suggested by the gentleman from Boston, that there exists a monopoly in this thing, which we of the whole country are opposed to, but which local interests intend, if they can, to fix upon us.

Now, I am not prepared to discuss these things, and I have asked as a courtesy, that the question may be postponed, in order that the gentlemen from St. Louis, who have thoroughly investigated the subject, may be here to meet the arguments of the gentlemen from the great and growing city of Chicago; and I am surprised that the gentleman from Chicago should be the first to refuse a courtesy to the city of St. Louis, because, when men are about to wage war, they are generally most polite in their diplomacy. (Laughter.)

Mr. MONROE: This is a question upon which the people of the State from which I come, are at present, more deeply agitated and excited than upon any other. We at Dubuque, in common with the river cities, are laboring under this extortion and tyranny, to which reference has been made. The railroads crossing Iowa have come under the control of railroad influences outside of Iowa, centring at Chicago. I have examined the tariff of freights furnished by the Illinois Central railroad, both the through freights, from Chicago into Iowa, and the local freights, from points in Iowa to the Mississippi river,—some few of which I will mention.

The city of Dubuque and the city of Chicago, in fact, the river cities generally, are rival lumber markets. The railroads from Chicago have got the control of the railroads in Iowa, and while they will carry four thousand feet of lumber (considered a car load) from Chicago to Independence, seventy-five miles into the State of Iowa, for eleven dollars, they charge ten dollars from Dubuque to Independence, making the cost of transporting that quantity of lumber, one-quarter of the distance, ten-elevenths of the price. So, too, with regard to return freight. From Fort Dodge, about one hundred and fifty miles in the interior, a hundred weight of fourth-class freight (wheat, and things of that sort) pays forty cents to Chicago—about three hundred and forty miles; while, if the farmer finds a better market in Dubuque, the railroads charge him thirty-five cents for carrying it one hundred and fifty miles, much less than half the distance. So it is all the way through. The rates are exorbitant, so that, although the

river cities may furnish better markets to the farmer, he is not permitted to avail himself of them.

But there is another fact I want to state. Our Supreme Court have recently had the question before them as to whether or not the State of Iowa could regulate these matters, and they have made a most remarkable decision, which is, that railroad companies are like common carriers, and can charge what they please, and do as they please in that respect, and there is no relief. The only chance for relief is, that under the power of Congress to regulate commerce, we may get that body to say that the railroads built through Iowa by the money of the people of Iowa, shall be for the benefit of the people of Iowa; that farmers may sell where they can sell to the most advantage, and shall not be compelled to carry their freight across the State of Illinois to Chicago, when they can do better by sending it by a cheap water line to Milwaukee. I can very well understand why Chicago is opposed to any inquiry into this matter, but we want it investigated.

Mr. BRIGHAM: What the gentleman has said in regard to Chicago implies too much. I do not think the delegation from Chicago are opposed to it.

Mr. MONROE: I will take it back. I believe my statement was too general, for I have met gentlemen from Chicago who are opposed to that extortionate system of railroad management. I take that back. The fact, however, remains, and we want the question discussed before this body. The day is coming when a great system of cheap water transportation will be completed, and we shall be able to carry wheat from St. Paul to the Atlantic seaboard for twenty cents a bushel by water. That day, I say, is coming, but if railroad monopolies can compel us to go to the lake shore by railroad, we cannot have the benefit of that cheap transportation. We want the question, both of the constitutional power and the right, discussed. Therefore I hope that this Board will give the St. Louis delegation, which represents the interest of all the river cities, an opportunity to be fully heard on this question, which is of vital importance to us.

Mr. HASTIE: I rise to make an explanation. I believe I was the first to move that this resolution lie upon the table; and if there is any odium attaching to that, I am willing to take it, and relieve Chicago from it.

I can only say, that if the proposition before us was carried out, it would ruin every railroad in our State. We now have direct railroad communication with Memphis and Vicksburgh, and also a through line to Louisiana. Charleston, poor as she is, has invested a million and a half of dollars in the Memphis and Charleston and Nashville

and Chattanooga railroads. We have these through lines, and by their means, bring a very large amount of freight to Charleston. At the same time, people living on these lines pay what is termed "local freight," — a higher rate than we charge for through freight.

Gentlemen should go to their Legislatures, if they want these things corrected. It is not a matter that belongs to Congress at all. Congress has no right to legislate upon a subject of this kind, where your property and mine are concerned. If these railroads are doing what their charters do not allow them to do, the Legislatures of the several States are the parties to whom gentlemen should look to rectify the wrong.

Mr. CAMPBELL : I have but a few words to say ; I would not, under ordinary circumstances, refuse a courtesy, but I think it is a little too much to ask seventy gentlemen to wait two or three days for the arrival of one or two delegates, who feel an interest in this matter, without a very positive assurance that they will be here within a reasonable time. That is my point on that.

My next point is this. I do not believe that Congress has power to legislate on this subject. If it has this power, it must be under that clause of the Constitution which provides that "Congress shall have power to regulate commerce with foreign nations, and among the several States." That is the wording of the clause, *verbatim*. Now, if it has the power, under these words, to make laws regulating freights upon the railroads, and upon the rivers in Iowa, I will ask for another amendment, for we of the East are subject to two most grievous monopolies. If it has the power to do that, when it has not granted the charters, (if it had granted these railroad charters, as it granted the charter for the Pacific railroad, it might regulate the rates ; and when any State grants a charter for a specific purpose, it has a right to hedge it about with as many safeguards as it sees fit.) I say, if Congress, not having granted the charters, has a right to regulate the price of transportation upon our lines of internal communication, I shall propose an amendment to the proposition, that Congress be requested to regulate the price of wheat and flour. It is well known that we of the East have to submit to an enormous price for wheat, which is governed by a tremendous monopoly ; and we also have to pay a very high price for flour, which is governed by another monopoly. I insist upon it, that if Congress can say how much shall be paid for the transportation of a ton of freight upon any railroad, it can say how much shall be the price of a bushel of wheat or a barrel of flour.

Mr. MCCREA : I rise to a personal explanation, and, furthermore, in answer to the gentleman from St. Louis. I think his remarks

did not correctly represent me or my position in this matter. I was simply against the idea of postponing action upon this question until the arrival of his delegation. He did not fix any definite time when they would arrive, but thought it probable they would get here to-night. The gentleman who was last up spoke my mind very clearly in regard to that matter. But the insinuation of the gentleman from St. Louis that I was the champion of the railroad interest here was all wrong. I will say to that gentleman, — and I say it without egotism, — that I have more tons of freight every day upon railroads than he has pounds; I am constantly subject to extortionate and unjust tariffs, and if any plan can be devised by which we can properly memorialize Congress, I shall be heartily in favor of the resolution; but I am of opinion that it cannot be done.

I simply wish to say to the gentleman from St. Louis, (Mr. CULLEN,) and to the gentleman from Dubuque, (Mr. MONROE,) that I have an interest in this thing, and that I am willing to join with them or anybody else who will take this matter up and put it into tangible form, so that we can memorialize Congress for something that is practicable. I withdraw the motion to indefinitely postpone.

The PRESIDENT: The proposition now is to postpone the matter until Saturday afternoon.

The motion was lost.

Mr. CULLEN: I ask a postponement until to-morrow morning.

Mr. WETHERILL: I hope not.

Mr. ROPES: I would ask what would be gained by a postponement until to-morrow morning, if the St. Louis delegation are not to be here until to-morrow night.

Mr. CULLEN: I hope they will be here to-night.

The motion to postpone until Friday morning was carried.

Mr. JEFFRIES: I now propose that we go back to numbers three and four upon the programme, which were postponed yesterday, in the absence of the delegates from New Orleans, and I would offer the following resolution:

Resolved, That the President appoint a Committee of five members, to be composed of two millers and three grain dealers, to report on the feasibility of, and to recommend a plan for carrying out, numbers three and four of the official programme.

The PRESIDENT: There was a specific motion to postpone until the arrival of the New Orleans delegates. It will be necessary to move a reconsideration of that vote.

Mr. COOK: As I made the motion to postpone action upon this resolution, I now move to reconsider that vote, and agree entirely with the resolution offered by the gentleman from Philadelphia.

Carried.

The question was then put on Mr. JEFFRIES' resolution, and it was adopted.

Mr. JEFFRIES: As it is customary to place the gentleman who offers such a resolution at the head of the Committee called for, I beg leave to be excused from serving upon it.

XVIII. — DOUBLE TRACK FREIGHT RAILWAY.

The construction under a charter from the General Government, of a double track railway, to be used exclusively for the transportation of freight from the centre of the chief source of supply of grain and produce in the West to the seaboard.

Mr. RICHARDS: I offer the following resolutions:

Resolved, That Congress be requested to charter at once a railroad, with two or more tracks, to be used exclusively for the carrying of freight between the centre of the chief source of supply of grain in the West, and the Atlantic seaboard.

Resolved, That Congress be requested to fix, at once, the rate to be charged for the transportation of passengers and freight on each railroad in the United States, and the rate to be based on a reasonable income for the money actually invested in cash.

Resolved, That a copy of these resolutions, signed by the President and Secretary, be sent to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives.

Mr. TAYLOR, of St. Paul: I rise to a point of order, before the gentleman proceeds. The official order of business, at the instance of the Board of Trade of Chicago, presents this first proposition in relation to the construction, under a charter from the General Government, of a double track railroad. I am very desirous of hearing from the Chicago Board of Trade upon that subject; but I would ask the Chair whether, under the rules, it is in order for the gentle-

man or the delegation to present a distinct proposition, other than that which is upon the order of business.

The PRESIDENT : To which of these resolutions does the gentleman from St. Paul refer as not being pertinent ?

Mr. TAYLOR : The first resolution I regard as identical with the one on the official order of business. The second resolution, relating to the regulation of the freights on railroads by the General Government, it seems to me is not pertinent to the subject.

The PRESIDENT : That proposition is substantially the same as the one which the Board has just voted to postpone until to-morrow morning. Therefore I rule that it is not now in order. The first resolution is in order.

Mr. RICHARDS : I withdraw the second resolution then, and will renew it to-morrow.

Mr. President : That part of the United States called the Mississippi valley is, beyond all question, the most fertile part of our country, and is probably a finer body of land than can be found elsewhere in the world. The climate is at least as good as that of any country in the same latitude. This country is comparatively new, but is rapidly filling up with population. Its chief productions are wheat, corn, and live-stock. A great part of these productions are sent to and consumed in the Eastern States, while some portion goes to the Southern States, and the surplus of all chiefly to England.

The value of a bushel of wheat at the home of the producer is now fifty cents, and its value at the home of the consumer in the Eastern States is one dollar and fifty cents ; the difference in these prices is paid to the intermediate carrier. Is it not quite plain that this great expense of carrying this grain from the producer to the consumer is a great waste of individual and national wealth ? Either the expense of transportation should be greatly lessened, or the consumers should transfer their homes to the country where the grain is produced. The great difference in the price of food between the East and West has already started this great revolution, and unless the cause is abated, the time is near at hand when the West will cease to be an exporter of grain. The receipts of grain at Chicago, Milwaukee, Toledo, Detroit, and Cleveland, from January 1st, to November 6th, in each of the following years were as follows :

Year.	Bushels.
1866	94,513,058
1867	88,425,528
1868	96,821,620
1869	105,462,768

The increase in receipts of grain from 1866 to 1869 was only twelve per cent., while the increase in population and production was at least twenty-five per cent. The increase in shipments, too, is wholly due to the opening of new country, as the country east of the Mississippi has already passed its maximum in the exportation of grain on the basis of the present cost of transportation.

The following number of bushels of Indian corn were received at Chicago, Milwaukie, Toledo, Detroit and Cleveland, from January 1st, to November 6th, inclusive :

Year.										Bushels.
1866	.	.	.	.	.	.	.	.	.	36,634,862
1867	.	.	.	.	.	.	.	.	.	28,958,970
1868	.	.	.	.	.	.	.	.	.	28,977,202
1869	.	.	.	.	.	.	.	.	.	29,563,012

Corn is raised chiefly in States east of the Mississippi river, and the exports of it are decreasing. Even the corn we do export goes at a great disadvantage to the West, for it would pay vastly better fed to stock, and if the farmers now had sufficient means to raise and own the necessary amount of hogs and cattle, exports of corn would entirely and immediately cease.

At the present cost of transportation it is plainly the Western farmer's interest to raise no more wheat than he wants for his own consumption ; to raise corn and ship none of it, but feed it to stock, and export only hogs, cattle, pork and beef. This state of commerce will soon prevail.

Owing to a lack of comforts and luxuries incident to a new country, it is only within the last few years that people generally have come to the West with a view of making it their permanent home. Now that permanence of residence has become fixed in people's minds, they have begun to give attention to the permanent interests of commerce, and to draw still faster to the country the people of other sections. The East cannot long manufacture for the West and pay three times as much for food as it costs where the goods are consumed.

Fifty years continuance of the present rates of inland transportation will make the West the cultivated, as it is now the natural garden of the world — will make it the seat of American manufactures, and will make Chicago the largest city in population in the United States. The only way the East has to prolong its hold of the control of a leading part of our national industry, is to lessen the cost of transportation between themselves and the West.

But the immediate future has an interest for us all. The prosperity of the Eastern and Western States can be at once doubled by a feasible cheapening of the cost of transportation between them.

There is no method of inland transportation worthy of a moment's consideration but that of the railroad. A few years ago all the inland freight and passengers went by the water-courses — the lakes, rivers and canals. Already the entire passenger traffic and nearly all the Western and Southern merchandise freight from the Atlantic ports inland has been transferred to the railroads, and these facts alone decide the question as to the return freights and the routes the inland produce will take to tide water. Only four years ago the first grain in through cars was shipped from the West to the Atlantic, and in the year ending March 31, 1869, two-thirds as many tons of grain and produce were carried from Chicago eastward by rail as by water. Besides this a large amount of grain now goes direct from the interior stations East, and it is safe to say that the railroads already carry more grain, flour and provisions from the West to the East than is carried on the entire lakes, rivers and canals. All canals in the West, except that in Illinois, have nearly ceased to be carriers of grain. The total amount of agricultural productions carried on all the New York canals in 1863 was 2,144,184 tons, and in 1867, 1,415,887. The whole tonnage of the Erie canal in 1868 was 6,442,225 tons, while that of the New York Central, New York and Erie and Pennsylvania Central railroads was 12,352,255 tons. Certainly in ten years, and probably in five years from this date, not one bushel of grain will pass through the Erie canal. In fact, if the present imperfect and expensive railroads had sufficient rolling stock to do all the business, little or no grain would now be going through the Erie canal. The canal the Southern people are trying to build, from the Ohio to the Atlantic, would be of no use to them if they had it, as there is little or no business that would pass through it. I understand the desire for this canal to be based largely upon the idea that grain from the Northwest would pass through it, but there is no possible chance that it could get any such business. Grain could be delivered at New Orleans much cheaper than at Norfolk, but it is not worth much more in either place than at Chicago for foreign shipment. Freights from all the ports of the South to Liverpool *via* New York are as cheap as by direct shipment. The reason for this is that merchandise from Europe for America nearly all comes to New York, and, therefore, return freights to Europe are much cheaper from New York than from any other port. Unless return direct shipments to

Southern ports can be had to load their cotton ships, it is useless for them to expect to do a foreign grain business.

The Ohio river is scarcely a carrier now of the produce raised on its banks, and the great Mississippi carries less freight than the productions of the bottoms bordering upon it. Our own lakes in the North will be the last to succumb, but the iron rail has actually already overtaken them in the amount of business done, and will soon place them amongst the things that were, along with the rivers and canals. The electric telegraph and the locomotive have greatly quickened the people's desire for rapid movements. But it is a fact, also, that freight can be carried cheaper by railroad than by any other means of inland transportation.

Railroads are yet in their infancy, and their capacity is hardly comprehended in this country. Our present roads are mostly single track roads, and all freight trains have to keep out of the way and wait the pleasure of passenger trains. The wear of a railroad is in compound ratio to the speed run, and for economy, trains should run say eight miles an hour. The cost of maintaining a railroad is almost simply the cost and wear of iron, and as it is now established that steel can be made at a trifling addition to the cost of iron, this alone is to greatly cheapen the cost of rail transportation in the future.

Coal is now transported fifty miles or more on all the prominent English railways at a half-penny a ton a mile, and the North Eastern railway carries at one-third of a penny a ton a mile in shippers' wagons. Coal is actually carried by railway at a profit, in large quantities, from Newcastle to London, in direct competition with the ocean. The English railways, too, cost several times as much as ours, owing to the great expense of right of way. The Reading road in Pennsylvania has profitably carried coal at three-eighths of a cent a ton a mile. There is no reason why grain should not be carried as cheaply as coal. There is hardly a limit to the cheapness at which grain can be carried, as the quantity is ample. On a suitable railway it is safe to say that corn could be transported from Chicago to New York at ten cents a bushel, while the average cost by lake and canal for the last ten years has been about twenty cents a bushel. If the rail can beat the northern water route, of course it can easily beat the southern water routes. It is useless, then, to expend our energies on water routes for inland commerce, for they are surely passing away. The Southern are not as much interested in this question as the Northern States, for the reason that whatever the rate of freight demanded, it is only a small part of the value of their products. But

the question is one of great national importance to us all, and demands our immediate attention.

[The allotted ten minutes having expired, an extension of time was unanimously granted.]

I have no personal or local pleasure or sorrow at these facts. I suppose this to be an association of practical business men, who come together to embody in their votes the results of their personal knowledge, and not a simple mass meeting to recommend a little of everything.

A freight railway from the West to the seaboard is more needed than in any other section, but as railways are to supersede all other means of inland transportation, it is of great importance that the public mind should at once be devoted to obtaining the greatest good from them. There ought at once to be constructed a freight railway, with two or more tracks, between the chief source of supply of grain in the West and the Atlantic seaboard. This road should be built under a charter fixing the maximum rate of freight. Let trains, on a double track road of this kind, start at intervals of five minutes and travel eight miles an hour, and they would carry twenty times as much grain and produce in a year as ever has been in the same time shipped from the West. The cost of building such a road as this, not counting the extra cars, would not exceed one-third the present nominal capital of either of the railroads between Chicago and New York.

The Government of the United States should also regulate and limit the rate for freight and passengers to be charged on all the present railroads, as it clearly has the right to do. Instead of lowering rates as business increases, as they could afford, and should do, most of the present roads add fictitious capital to absorb the increased income. It would be paying a poor tribute to the people of this country to suppose they will submit to such proceedings as this. Private property can be managed at the will of the owner, but railroads are not private property. Railroads have franchises conferred upon them by the people, and the right of way over private property is forced from the citizen and conferred upon them.

For these rights and privileges they must render reasonable return, and that reasonable return is to carry passengers and freight at the lowest possible rates compatible with a reasonable return on the money actually invested. Mr. FORBES, traffic manager of the London, Chatham and Dover railway, stated recently to the stockholders that the workmen's train, carrying passengers eleven and a half miles from London for a penny, (two cents) was the best paying train on the road. Congress has the right to regulate inland as well as exter-

nal commerce, and should perform its duty in this matter. One of the first duties of Congress, in the interest of public morals, as well as of national prosperity, is to squeeze every drop of "water" out of the stock of every railroad in the United States by fixing rates of transportation, based upon the money actually invested.

Mr. MONROE: So far as the proposition which the gentleman has brought before the house is concerned, to ask Congress to charter a company to construct a double-track railroad, I have no objection to it; on the contrary, I will support it heartily. We of the West want every mode of transportation which by competition will cheapen the cost of commercial intercourse between the West and the East. So far, the proposition of the gentleman meets my hearty concurrence. But he has undertaken to present an argument, and to make some statements, which, it seems to me, he has drawn upon his imagination, not upon the actual facts as they have been developed for the last twenty years. I will state two or three things, to which, I have no doubt, the gentleman will agree, when his attention is called to them.

From Dubuque to Chicago it is one hundred and ninety-one miles by railroad. The cost of the transportation of a bushel of wheat from Dubuque to Chicago is now eighteen cents; it has been more. From St. Louis to Chicago it is about four hundred miles, partly by the Mississippi river, partly through the Illinois river and Illinois canal, — not the best or cheapest kind of water navigation; but last summer, it is a notorious fact, which has been published in the newspapers, and I have it from one of the largest grain dealers in Chicago, Mr. PRESTON, that they carried hundreds of thousands of bushels of grain from St. Louis to Chicago, four hundred miles, over the water line, at six cents a bushel; being one-sixth the cost of transportation by rail between the same points. That is one fact.

Now another. The gentleman, in giving the amount of transportation over three railroads, as compared with the Erie canal, puts it at upwards of twelve millions of dollars. Now, the bulk of that transportation is on the Pennsylvania railroad, from the Alleghany mountains to the water, where every train can go with a full freight, because there is no grade to overcome. But take the Erie canal and the two New York railroads, and make the comparison; and how is it? I have here before me the report of the relative cost, in 1866, '67 and '68, not only as between the Erie canal, which can carry cheaper than any other, but as between all the other canals of New York, and the two great New York railroads; and I find that, according to the official report of the engineers of the State of New York, the cost of

transportation over the Erie canal, for the three years, was one cent a ton a mile, of which about one-half is tolls ; the actual cost, four and a half mills ; that the cost over these railroads, trying to compete with the canal, is two and four-tenths cents, — twenty-four mills against ten mills, the cost of transportation over the canals, about one-half of it tolls, putting into the State treasury about four millions a year.

There is another fact which is here officially reported. I find in this report that the cost of railroad transportation, through a period of thirteen years, has been two and a half times greater than the cost of transportation by canals.

Now, whenever the public require and demand, as they should, that no more tolls be collected from these canals than will pay the cost of operating them and keeping them in repair, then the item of tolls will be reduced to below half a mill a ton a mile, and the entire cost of transportation over the water line will not exceed five mills a ton a mile.

But that is not all. The gentleman speculates as to what will be done upon a railroad to be constructed upon some improved plan, with a particular kind of iron, not yet manufactured to any considerable extent for railroads. I agree that there will be great improvements in the methods of transportation by rail, and that the charges will be reduced. But I find from this report, that as the capacity of the canals is increased, the rate at which they can transport is diminished, and that by the aid of steam, which can be used practically, even now, the cost of transportation over the Erie canal will be but a fraction over three mills a ton a mile. Let us see. During the last year steam-tugs passed down the Mississippi river, with the obstructions not yet removed, with one hundred and fifty-five thousand bushels of wheat in tow, in barges. That would freight thirty trains, of one hundred and fifty tons each, on a railroad.

Mr. McALPIN, one of the ablest engineers in the United States, and a man whose reputation, I believe, is as great as that of any other engineer in the world, in a recent lecture, undertook to make this comparison, and as it is very brief, I will read it to this Board. He says :—

“With many persons there is an idea that the railway has superseded the canal, and that the former now performs the chief part of the traffic of the country. While the latter is true in regard to interior, short lines of trade, it is a serious error in reference to the great transport between the agricultural West and the Atlantic. The Erie canal, during the season of navigation, conveys more of this traffic than all of the railroads together.”

It is to be borne in mind, that the Erie canal is open for navigation only seven months in the year, and for the first four and a half months

there is no large amount of freight going forward. It is during the latter half of the month of September, and in October and November, that more than half the freight passes through the Erie canal. The boats, hands and horses are comparatively idle, so far as transportation is concerned, for about five months, and, of course, during the few months in which they have an abundance of freight, they must charge more than they would if they were employed to their full capacity the entire seven months. In the spring, when the canal opens, about the first of May, the produce has reached its markets, over the railroads, at much higher rates, and the merchandise has got back to the West, and they carry less freight than they are able to carry until late in September. That will not be the case with the central water line. The stoppage there will not exceed, on an average, fifteen days in a year; and therefore, notwithstanding the lockage will be heavier, the capacity of the canal, according to the plan, being greater, they will be able to carry even more cheaply than the Erie canal, which can carry for from four and a half to five mills a ton a mile.

Now to proceed with the quotation from Mr. McALPIN:—

“The Erie canal, during the season of navigation, conveys more of this traffic than all of the railroads together, — more than all of the trunk lines from the St. Lawrence to the Potomac. The boats which come to tide-water have an average cargo exceeding that carried by the longest freight train on the Central Railway.”

About the time that steel rails become common in the United States, the Erie canal, under the force of circumstances, will be enlarged to admit vessels of the capacity of at least five hundred tons, steam power will have been introduced, and freight will be transported at a cost that will not be more than half what it has been in the past — not more than five mills a ton a mile — and the superiority of water transportation over rail, which has existed for the last twenty years, will still be maintained. Wheat has been transported down to St. Louis from our city the past season for eight cents a bushel, and that is too much. Yet wheat is actually brought one hundred and fifty miles by railroad to Dubuque, at a cost of eighteen cents a bushel.

[The ten minutes having expired, leave was granted to the gentleman to proceed, and at the request of the President, Mr. HAZARD took the Chair.]

I have but a very few words more to say. This is rather an outside question, and I do not desire to occupy much time upon it. When the water-line question comes up, as I hope it will, perhaps I may say something on the subject. But I want to say to the gentleman from Chicago (Mr. RICHARDS) that it is not necessary for his resolution that

he should attack the water-line at all. He seems desirous to attack it in advance, when really it is not necessary to call it in question. Let me call the attention of this Board to some facts, which are much more reliable than speculations as to what will be in the future. As I say, for the one hundred and fifty miles from the interior to Dubuque, the railroad charges eighteen cents a ton for freight; but wheat is carried down the Mississippi river, and through the Illinois river and Illinois canal for half a cent a ton a mile. The railroads carry it from the interior of Iowa to the river at five cents a ton a mile — ten times as much; and from the river over to Chicago for a fraction over three cents a mile — six times as much. They carry it through New York, over the railroads, as compared with the whole system of canals, for two and a half cents a ton a mile, as against an average of about nine mills. And taking the average cost of transportation from the two points on Lake Erie — Buffalo and Erie — the cost of transportation from those points to New York has for the last thirteen years been at the rate of about thirty cents a bushel for wheat. They have carried a great deal cheaper during the last summer, but that was when there was not much wheat going forward.

I submit that there is no occasion to forestall this question of transportation by water, whether by river, lake or canal. The next theory will be, that we must bridge the Atlantic ocean, and build a railroad across it to Europe, instead of employing vessels.

I will conclude as I commenced, by saying that the proposition which the gentleman makes for the charter of a freight railroad is one which no man in the West can object to. If we get a railroad, and that railroad will carry cheaper than the existing lines, it is an advantage to us. Railroads have an office to perform, and no man can disparage them or the benefits they confer. Give us another line to carry such freights as railroads can carry, the lighter and more costly goods; and then we will have another canal to carry our heavy freights and bring back our merchandise. It will be a great boon to have such a railroad while our canal is in process of construction. I say, then, if the people of Chicago are willing to ask for such a charter, and to help build such a road, let them have the charter and build the road.

On motion of Mr. DORE, the Board took a recess of ten minutes.

On reassembling, the President said:

At the request of Mr. JEFFRIES, I have excused him from serving on the Committee on the Uniform Inspection of Flour and Grain, and

I will appoint the following gentlemen to constitute that Committee : Messrs. KEENAN and THOMAS, Millers ; and Messrs. MCCREA, SAMPSON and MASTERS, Grain Dealers.

The PRESIDENT : The business before the Board is the resolution offered by Mr. RICHARDS in reference to a trunk line of railroad.

Mr. TAYLOR, of St. Paul : I do not propose, Mr. President, to discuss the general proposition of the gentleman from Chicago. The admirable presentation of facts and statistics which he has made have very favorably impressed this side of the house in regard to the general merits of such a national highway as his resolution contemplates, and the time has gone by when any constitutional objection can be raised against it. As a great military and national necessity, Congress chartered a company for the purpose of constructing, quite irrespective of territorial divisions, a national railway to the Pacific coast, which is now in operation ; and the question of transportation, of *cheap* transportation, presented so ably by the gentleman, is vital, not only to the West, but to the whole country ; and he is a very careless observer of events, who is not aware that the American people, at some appropriate moment, unless relieved by the voluntary action of corporations, will take the whole subject into consideration, and assume not only the authority indicated by this resolution, but also the further authority, to which reference has been made in the previous debate.

But, Sir, I am embarrassed by the last clause of the resolution before us. I am not informed by the gentleman where " the centre of the chief source of supply of grain in the West " is situated.

Mr. RICHARDS : If the gentleman will allow me to answer him, I will say, that that is a question I did not wish to raise. If it is a fact that Chicago is the chief centre of supply, I suppose it is proper that the railway should start from thence ; if not, then from some other place. I did not think it best to embarrass the proposition with any question of mere locality.

Mr. TAYLOR : It seems to me eminently proper, if this Board is prepared to accept the gentleman's proposition, that we should indicate to Congress the limits and direction of the line which is proposed ; and that we should make it national in its character. I should be glad to believe that a proposition such as is now presented in very general terms, could be so framed, in the interests of the South as well as of the North, as to be recognized by Congress and the country as an overture from the prosperous North, with its immense railroad system, to the South, which is just now attempting to reach its feet, after the

greatest calamity known to any community in history; and it is because I think it to be our duty, if we entertain the general proposition, to make it definite, to make it national, that I venture to offer an amendment, to strike out all after the word "between," and insert the words following, so that it will read:

"That Congress be requested to charter at once a railway with two or more tracks, to be used exclusively for the carrying of freight between San Diego in California, on the general route of the thirty-fifth parallel of latitude, and the harbor of Norfolk, in Virginia."

Mr. WETHERILL: I move to further amend by adding: "The said route to be built by private capital, and not by government subsidy, either in bonds or land."

Mr. RICHARDS: I wish to state, that the original proposition does not contemplate the grant of any money by the Government.

Mr. WETHERILL: Then my amendment will do no harm.

Mr. WALBRIDGE: I move to amend, by substituting as follows:

"That Congress be requested to exercise whatever constitutional power it possesses in the passage of a National Railroad Law, authorizing five Grand Trunk Railroad Freight Lines between the Mississippi river and the Atlantic seaboard, at points at which capitalists may guarantee to commence and complete these undertakings."

My object is to lay down five trunk freight railroad lines from the Mississippi river, one terminating in Boston, one in New York, one in Philadelphia, one in Norfolk, and the other in Charleston. The time has come when, as has been happily remarked by the gentleman from Chicago, railroad corporations must place themselves in harmony with the demands of the age. As at present conducted, no railroad line in this country develops one-fifteenth part of its capacity. We shall never know what these railroads are capable of doing until we have a grand trunk line, running at uniform rates of speed, with intervening spaces say of fifteen or twenty miles. Then we shall be able to determine whether these railroads are capable of competing with the great water lines.

I have drawn this resolution in order to meet the views of those gentlemen who question the constitutional power of Congress to make these improvements. Such is not my opinion. I believe that

Congress not only has power to prescribe the conditions upon which these lines which traverse more than one state shall be laid down, but that it is the imperative duty of Congress to do it. I believe it is as much the interest of the Government to sanction a Northern line from Puget Sound to Lake Superior, as it is to sanction the Central line, from Omaha to San Francisco. Still more; I believe that as an act of simple justice, Congress, should lend its aid to a Southern line. Not that I would ask Congress to make an absolute donation to such a line, but to lend the national credit to aid in its construction. I want a line from San Diego to Norfolk, and from Puget Sound to Lake Superior, but of equal importance are these five grand freight lines to which I have referred.

I believe it for the best interests of the country that Congress shall nationalize the Railway system, as it has recently nationalized the Telegraph system. If any five or more gentlemen in this room desire to build a telegraph alongside of any existing line, they have the legal right to do it, by an existing act of Congress, and I desire that any five or more gentlemen who have the requisite capital which they are willing to invest in such an enterprise, shall have the privilege granted to them by Congress to lay down these grand trunk lines, exclusively for freight. This embraces the whole question of transportation, and the whole question of the supply of food to the Atlantic cities, for unless we shall furnish the means by which food shall be brought cheaply to the centres of population, the time is not distant when these centres of population will be entirely changed; for it is easier to transport a youth to the West, where he will enjoy the blessing of cheap food as long as he lives, than it is to bring the food to him during his whole life. I believe that in the future, that is to be the result, and that in the Mississippi valley is to be the greatest aggregation of population, centred in a single locality, to be found on this continent. We who reside in the city of New York have no apprehension of the result, as affecting our interests, for we shall continue to control there in the future, as we have done in the past, the monetary interests of this country.

This question is one identified with that of cheap food, and whether the population shall be in Chicago, in Cincinnati, in St. Louis, in Omaha, in St. Paul, or in some place which may arise in the future, is left for time and Providence to determine. But, in the meantime, it is the dictate of wisdom for Congress, while it withholds subsidies, to grant to the people, by general statute, the right to construct these roads, running through different States, exercising over them a supervisory control. We have recently crystalized this nation into one

consolidated Union, and we want to bring its business interests into harmony with this new epoch. It is a consolidation, which has been achieved at a vast expenditure of treasure and blood; but I am consoled by the reflection, that no first-class people ever attained a commanding position among mankind, who were not obliged to pass through some such ordeal of suffering. I am gratified that we are now entering upon an era of peace. The time is coming when these great trunk lines will not only be constructed, but their road-beds will be regarded as national highways, to which any citizen may bring his loaded car, and have it transported at an uniform rate of speed, with trains averaging ten miles an hour. We shall then be able to test the capacity of the railway system as compared with water transportation.

Mr. TAYLOR, of St. Paul: I ask the indulgence of the Chair and of the house, if in considering the amendment offered by the gentleman, I refer to the general question of internal improvements, for this is perhaps the best opportunity that may offer for the purpose, without interfering with the general course of business. The amendment of the gentleman is aimed at two forms of intervention by the Government; but, Sir, it is evident to me that here we must consider the whole question of the claims of sections upon the national authority for aid in the direction of internal improvements, and in the erection of structures for the protection of commerce upon our seaboard.

Sir, the language of the Constitution has very frequently been repeated here; that "Congress shall have power to regulate commerce with foreign nations and among the different States." Perhaps our National Government resulted, in a large measure, from the embarrassments between the colonies in regard to commerce; and from the adoption of the Constitution to the present time, the General Government has recognized its duty, under its authority to regulate commerce with foreign nations, to undertake and to complete a general system of harbor improvements and other facilities for commerce upon our Atlantic seaboard. There is the germ of the whole question. Turn over the legislation of this country, and determine, from the records of your Congress, what has been the amount of appropriation, what has been the extent of necessity for such improvements on the Atlantic coast of the country, and you have in a great degree the measure of what is due to the other sections of the country for kindred objects, under the Constitution. I look at the defences of your harbors; I look at your system of light-houses; I see the commerce of Philadelphia defended and protected by a Dela-

ware breakwater; I see the structures of the nation at the mouth of the Chesapeake; I know what the nation has planted in the harbor of Charleston; I know what have been the fortifications and the other structures at Pensacola. Sir, SILAS WRIGHT, of New York, was the first leading statesman who declared that the same constitutional sanctions exist for improving the lake coast of the country; that there is no constitutional difference between the salt-water frontier and the lake frontier on the north. Therefore, the harbor improvements and breakwaters, and sea walls, and light-houses, and buoys, and structures of that kind, which are equally indispensable for the security of commerce upon the northern frontier of these States, are claimed by the Western people to the same extent to which the claim of the people on the Atlantic coast in that direction has been recognized by the Government. So with the Gulf coast, on the southern frontier; so with the whole line of the Pacific coast.

But, further than that, with the settlement of this country beyond the Alleghanies, we ceased to be a mere seafaring people. The great West arose. It is due to the memory of JOHN C. CALHOUN to say that at a commercial convention held in Memphis, he placed the river coast of the interior upon the same constitutional basis as had been recognized in favor of the Atlantic seaboard, and, more recently, in favor of the lake coast. And here is the principle; wherever these structures and expenditures are necessary for the regulation of commerce with foreign nations, or for the improvement of the rivers of the West, whose channels and commerce are not within the limits of a particular State, the power of Congress to regulate commerce among the several States may be invoked to make these improvements. And, Sir, as a citizen of the North-west, (and in this respect, I think I may speak for St. Louis and Cincinnati,) I want no appropriation from the General Government for the river improvements of the Mississippi basin unless they can be brought distinctly upon that clear, broad, constitutional ground. If a river is within the limits of a State, it is no subject for an appropriation by Congress, however important it may be as a channel of commerce. If a river is the boundary of States, if a river is a channel of commerce among the States, it becomes a national highway; it becomes as much a coast properly subject to the regulation and protection of your Government, as if the shores were separated by three thousand miles, instead of by a single half mile.

Now, Sir, bearing these things in mind, we have approached and passed the Mississippi valley, and have reached the vicinity of the great plains of the West, with clear constitutional land marks for our

guidance upon this whole subject, and, mark you, with a protection and shield for the treasury against any undue or improvident expenditure. What will satisfy the gentlemen of the Atlantic coast cities will satisfy the people of the lake coast and the gulf coast; and in the West, whatever are our necessities upon those great streams, we will be content to have simply our share of the expenditure. Be as economical as you please, only be impartial. Capitalize what you have done for the Atlantic sea coast in the way of expenditure, and give the lake coast the same extent of protection and the same amount of expenditures, and so with the river coast.

So far, perhaps, the progress of the discussion of this question is clear. But how now? We have passed the meridian of one hundred degrees of longitude, we are in the region, not of great navigable streams, not of great bayous, or arms of the sea, no Mediterranean of the lakes, no great gulf coast of the south, penetrating the interior, with all the media of commerce and trade. You are upon great Asiatic plains; you are upon the interior sections of this country, and you must find some constitutional theory and some line of legislation which will be just to those sections and secure to them the same degree of recognition from the National Government which, east of the Mississippi river, we have enjoyed from the foundation of the Government. And so I say, that whatever may have been the necessity or even the principle of the expenditure, the construction of the Union Pacific and Central Pacific road from Omaha to San Francisco, is no more than just, in view of the legislation which I have sketched; is no more than a just contribution by the nation to the development of the commerce of those interior States of Kansas, Nebraska, Colorado, Utah and California. Your lands along the line of that road have become marketable in consequence of its construction, and that, of itself, is a constitutional basis and justification for what you have done.

Now, Sir, we must make this policy national. If you have done a good thing and a right thing for these States of the centre, you are bound, as fair and impartial legislators holding the Government of this country in trust for the whole people, to do the same thing, with every proper regulation and precaution, for the frontier States of the South, for the future States of New Mexico, for the Indian republic which is to arise West of the Arkansas, for Northern Texas, for the Territory of Arizona, now left by your Government to the ravages of savages, and for Southern California. And the proposition which I make is, that in view of the history of this whole question, it would be a gracious thing, a magnanimous thing, and a just thing for the

National Government to step forward and recognize a trunk line through the Southern States, central by its position, and having connections with all the States, from the Pole to the Gulf, with San Diego, the Southern port of California, for its terminus on the Pacific coast. You have done something already towards it. In 1856, Congress chartered an Atlantic and Pacific route, upon the line of twenty-five degrees, and appropriated twenty sections of land in States and forty sections of land in Territories for its construction. It has a Congressional charter; it is a national enterprise. There it stands at this moment with the sanction of your Government, with an appropriation by your Government; and the amendment which I suggest is, that if we entertain this proposition in reference to a great freight line to be constructed by the Government, to be controlled by the Government in the interest of cheap transportation, there is no better opportunity to do it than to build on that foundation, to take that charter of 1856, and in further aid of the construction of such a trunk line, to give at least one-half of the further aid of your National Government, but upon better guaranties or securities, than you have obtained from the Central road.

[The allotted ten minutes having expired, leave was granted to MR. TAYLOR to continue his remarks.]

I have nearly concluded my observations, but I appreciate very highly the leave of the house. I do not say that the aid of the Government in this enterprise is essential, but I think it is. I do not think that the Southern States are in a situation, remote as they are from the great centres of population and capital, to undertake that work. I am constrained to say, as a citizen of Minnesota, and interested in the construction of the Northern Pacific road, that I should not feel justified in coming before this assembly and asking any subsidy in aid of that road. I am not satisfied that it is necessary. I am hopeful that with the liberal provision which Congress has made for it, backed by the resources and energies of New England, New York and Pennsylvania, — I am hopeful, I say, that upon the basis of the land-grant, measures will promptly be taken to construct the road and that the experiment will be fully tried, with energy and zeal to ascertain whether the present endowment by the nation is not sufficient for the purpose. I will not, therefore, make any proposition for a subsidy to the Northern Pacific road, but I do say, Mr. President and gentlemen, that a Southern Pacific road, upon the line of thirty-five degrees, which is central to the whole South, which can communicate with New Orleans, with Vicksburg, with Charleston, and with

Richmond, by lateral lines, is a national enterprise, which it would be a very proper thing for us to recognize at the present time, even with the recommendation of a subsidy; if you capitalize the expenditures of this Government for the protection of the harbors along the seaboard, ascertain the amount expended even now upon the line of the lakes, and the amount expended upon the line of the rivers, you will find that the interest upon the amount already expended will exceed the interest required for the subsidy of the Union Pacific and even the Northern and Southern Pacific railroads. This Government if it should, within five years, become responsible for the interest on the amount necessary for the construction of these five lines, will not fully discharge its duty, will not put the coming States upon the Pacific coast on the same basis of favor that we on the Atlantic coast and in the Mississippi valley have already enjoyed from the bounty of the nation.

I say again, all I ask is, that we shall have a distinct and clear constitutional rule (of restriction and restraint, if you please,) of expenditure for these national objects, but when we have ascertained it and declared it in the history of legislation over the country in our own favor, in our own behalf, do not let us deny fair and equal and impartial justice to the great communities of the interior, who are destined to conquer the sierras of the Rocky mountains and to plant American civilization upon the Pacific coast. We are a National Board of Trade, and as such, we are bound, North, South, East and West, to look at this question, fairly and impartially, without prejudice, without sectionalism. It is not, I submit to the gentleman from Philadelphia, proper that the representative of a city whose commerce is protected by the Delaware break-water, should grudge a proportionate share of the bounty of the nation to those millions at the West who are the pioneers of your institutions and civilization, and who simply ask fair play at your hands.

MR. WETHERILL: Last December, at Cincinnati, it was my pleasure to listen to many speeches as eloquent, and delivered in as glowing terms as the speech which we have just heard from my friend from St. Paul; and, Sir, such was the effect of the speeches there made upon my mind, that I also was carried away by the same enthusiasm, and voted for his measure and almost every other until the amount of money involved reached many hundred millions of dollars. But, Sir, a little time and a little reflection have cooled me down, and doubtless a little time and a little reflection have also cooled down many other members of this Board.

In regard to the Atlantic seaboard and in respect to the remarks of the gentleman, I would say, that if he were to level the light-houses, if he were to remove the break-waters, if he were to take up the buoys, if he were to destroy the safe navigation of the Atlantic coast; the agricultural sections of the great West instead of being, as they are now, comparatively free from taxes, with four hundred million of dollars to be raised annually, nearly two hundred millions of which now come from the commerce of the country, would find a burden placed upon them many millions greater than the cost of the harbor improvements to which he has alluded, and of which he says that he is deprived. Have I not answered that question?

Now as to the three Pacific railroads of which we have heard so much; I love to hear the patriotic language of the gentleman, who is the voice of a Pacific road. But pardon me, Sir, if I say, that perhaps if I were interested in the construction of a Pacific road, I might feel the importance of that great route to the country on the one hand, and on the other hand I might look to the little corporation with which I was connected, in view of the profit that might be acquired thereby. I do not know how the Pacific roads are built, but I am told, (I merely give the report, I cannot, of course, vouch for it; if I am wrong, I hope I shall be corrected)—I am told that they are built somehow in this manner: the Government of the United States grants sixteen thousand dollars a mile, and a mortgage of sixteen thousand dollars a mile is put upon the road. That mortgage is a first mortgage upon the road, and the bonds may or may not be sold as low as seventy per cent. If they are sold at that price, you have a mile of Pacific railroad built at a cost of between twenty-eight thousand and twenty-nine thousand dollars. What is the stock of some of our Pacific roads? One hundred millions. Will this ever be valuable? I hope so. And if so, into whose pockets will the profits go? Twelve thousand five hundred or more acres of land a mile are also granted as a subsidy. Now, Sir, we will admit (for this is all based upon assumptions, and I may be wrong) that this road only cost a mile the amount of the first mortgage, and the Government subsidy of twelve thousand five hundred or twelve thousand six hundred acres a mile; do or do not some of the patriotic gentleman who talk so eloquently about Pacific roads receive a portion of that land? We have built a railroad to the Pacific, and will the gentleman from New York, (Mr. WALBRIDGE,) who, I believe, is a Government care-taker of that road, rise in his place and say that he believes, from present appearances, from the amount of travel and freight, that the Government will not lose a dollar in that enterprise, and that the first mort-

gage bonds are worth exactly what they are selling for? I have heard some gentlemen, who know something about the Pacific road, intimate the contrary, — that perhaps the Government may lose all it has put in, and the first mortgage bonds not be worth nearly so much as they are now.

These are very practical considerations. Let us leave the lofty regions of imagination, and, as business men, come down to facts. I do not say that the statements I have made in regard to the Pacific road are correct, but others make these assertions as facts. Some say it will pay; others think it will not pay, and that the Government subsidies given to these three roads are lost. Let us, as practical men, look at both sides of this case. Let us look to the advantages, let us look to the glory, but let us consider also the cost. That is but right. That is what we should do in our own business, and that is what we are bound to do as members of a Board of Trade like this.

I do not mean to say that I should vote against all Government subsidies to railroad lines, but I do say, that if there is a profit to come back so large as that which I have hinted, the mode of granting subsidies should be altered, and the Government itself should know exactly how much a mile these roads cost, how much an acre this land brings, what is the value of this capital stock, and in that way sift the whole matter, and get at the amount a mile that is made or not made, so that it may know exactly how it stands. I submit to this Board whether those facts have ever been plainly laid before the community, whether the public is informed in regard to the true position of affairs. I think not; and therefore, before we recommend the building of any more roads on Government subsidies, I hope that this Board will indicate what should be done in regard to the matter, and the mode and manner in which the money should be expended.

Mr. WALBRIDGE: Is there any resolution before this body asking for a subsidy?

The PRESIDENT: There is no resolution directly asking for a subsidy, but by way of precaution, the gentleman from Philadelphia offers an amendment, to avoid any inference of that kind.

Mr. WALBRIDGE: I shall not trouble the house, except simply to say what I understand to have been the desire of Congress at the commencement of the recent war. An effort was made, about twenty years ago, to open railroad communication between the Atlantic and Pacific seaboards. In 1854, a bill for that purpose passed Congress, but before the vote was declared by the Speaker, a body of gentlemen

rose and changed their votes; consequently, the vote then taken in favor of the construction of a national Pacific railroad failed. From that time forward, until 1862, or until we were engaged in the late war, it was found impossible to pass a measure looking to such a result. I regret to say, that in the legislation of Congress our friends of the South, thinking their policy lay in opposing the passage of such a measure, were found invariably voting against it. When, however, it became necessary for the Government to manifest its power, in order to prevent the revolted States from overthrowing the Constitution and the nation, it demonstrated, what never before was demonstrated, except by FREDERICK the Great, that a Government, even when engaged in war, can carry forward great internal improvements. The policy of the Government was to authorize three trunk lines between the Pacific and the Atlantic. One was the Northern, from Lake Superior to Puget Sound, to which was granted a subsidy of fifty-five million acres of land, — an area of arable land larger than New England, larger than Virginia, capable of the highest cultivation, capable of growing twenty to thirty bushels of wheat to the acre its entire length. That subsidy was granted to the Northern Pacific, and stands to-day to the credit of that company. To the Central and Union Pacific there were granted both a land and a cash subsidy. And what was the motive? It was because it was feared that, unless we brought ourselves in close relations of friendship by the iron bands with the State of California and the Western coast, this portion of the country, in the surging and troublous times of 1860 and '61, might also seek to detach itself from the Federal Union. It thus became a political as well as a commercial necessity. It was an act of policy on the part of the General Government, to tie these people on the Pacific coast to us by bands of steel; and the consequence was, that those distant States and Territories remained firm and true to the Federal Union. If the policy then initiated had been fully adopted by the Government twenty years before, — if we had penetrated those Southern regions with an extensive railway system, — if we had held these commercial meetings, and brought the men of the South and the men of the North face to face, year after year, it would not have been in the power of politicians to array one section of this country against the other, and we should have avoided the misfortunes of a terrible war.

The General Government gave this subsidy to the Central and Union Pacific railroads; and it was the policy of the Government at that time, it was the policy of the American people, to charter three great trunk lines, as already referred to. If the Southern portion of the country had not then been in rebellion, Congress would have

granted a subsidy to this Southern road, on the thirty-second or thirty-fifth parallel; but it was impossible then to do it. I thank God that the rebellion failed, that the Southern people accept the situation, and that they have returned to the old flag; and now I say, let us carry out the policy which would have been carried out if the war had never occurred. Spread salt over the past, that its unhappy memories may never more spring up forever. I say, give to the Southern road the same assistance that you have given to the Central and Union Pacific roads. It is no advance of money, except as a temporary loan, for already the Government is receiving, by way of interest, and by its diminished expenses in dealing with the Indian difficulties, a larger amount than the interest on the advances made to the Union and Central Pacific roads; and I say that, in my humble judgment, every dollar of its cost will be paid. But if in the providence of God it should not be paid, if those bonds shall all be lost, we are benefitted largely by the construction of the road, and we should be gainers largely also by the construction of the Southern road.

I understand this discussion to be limited to a road between the Mississippi and the Atlantic. My plan has been to construct five grand trunk lines. I am willing to modify it, to meet the views of the Board, and to request Congress to enact the same legislation in reference to railroads as it has done in regard to telegraphs. Nationalize the railroad system. Allow railroads to be constructed wherever capital shall be found willing to embark in the undertakings. It is due to the South that the Government should grant its aid to a Southern line. It has granted large subsidies to the Central and Union Pacific roads, and there stands to-day upon the statute-book, in favor of the Northern Pacific road, a grant of fifty-five millions of acres of the fairest land on which the sun ever shone; and yet Congress, I regret to say it, refuses the simple right of way for what is known as the El Paso road. They ask no dollars; they ask no subsidy. This Southern road simply says to the Government, "Grant us protection; give us the right of way; we will furnish the capital, and build this line, in which the South is not more deeply interested than the North."

As I have already said, the logic of events has made us all one people, and I trust we are to be homogeneous in the future as we have been discordant in the past. But let Government do even-handed justice, as was said by my friend from St. Paul. It has given subsidies to the Northern road, and to the Union and Central roads; why, then, should it refuse the simple right of way to the Southern road, that will restore the prosperity of the Southern States?

I can only say to these gentlemen, if you shall be defeated in your present application, renew it again. The American people are a just, a Christian people, and they mean that justice and Christianity shall be observed. You will get your rights in the not distant future; having extirpated the only refractory element that withheld you from participating in the benefits of the onward movement of civilization, you are hereafter to enjoy all these benefits and advantages.

Mr. JEFFRIES : I have the honor to represent, in part, the "city of brotherly love," the Manchester of America, with a population of eight hundred and fifty thousand souls, and we do not fear any section of this republic. We say to the people of the South, — and it comes from our ship-yards, from our manufactories, and from amid all the clang and clatter of our untiring industry, — "God speed you!" We say to them, "A new and brighter era awaits you. Your commerce is reviving, your railroads are being extended; and all your achievements in the past will fade into utter insignificance compared with your mighty enterprises of the future."

We of the city of Philadelphia are in favor of the exhibition of a liberal and catholic spirit towards all sections of our common country, and for a business reunion of all the States; and I gladly indorse the remarks of the gentleman from New York, and trust that this Board will act in a catholic spirit towards all sections of the country.

Mr. CULLEN : As a representative of St. Louis, I must congratulate the West and the South upon having the benefit of such minds as the gentlemen from New York and from Philadelphia. We of the West do not ask that you give this railroad upon the thirty-third parallel as a mere boon to the South, but we claim that it will promote the development of the commercial interests of every State in the Union. The representatives of New York comprehend the mighty interests at stake for their own city, and the gentleman who just spoke comprehends the interests of Philadelphia in this matter. We all see that it is impossible to have such facilities for transportation by the Northern line as are necessary to carry on the commerce now existing between the Pacific and the Atlantic coasts. We find that we are blocked from two to four months in the year at the North, and that we must have a Southern route, located in such a climate that we shall not be interrupted in making transfers of passengers and freight. Therefore, it is not the South alone that is interested. The whole country is interested. The cattle trade of the State of Texas is not only for the benefit of Texas, but it is also for the benefit of the people living in Boston, New York and Philadelphia. We of St. Louis do not ask that you shall bring the line to our door. You may

carry it a little further South or a little further North. So that you give us a line upon which we may have constant travel, unobstructed by snows and ice, we are perfectly satisfied.

Sir, in the name of St. Louis, I must thank the gentleman from St. Paul, (Mr. TAYLOR,) for the manly views which he presents, for the perfect impartiality which he manifests. But let me say a word in reply to the gentleman from Philadelphia, (Mr. WETHERILL,) in regard to the expenditure of the Government on the Pacific railroad. Admit that its stock is of no value in Wall street, yet I say the Government is benefitted by it, as the State of Missouri has been benefitted by giving to its railroads millions of money and sacrificing every cent of it; as the city of St. Louis has been benefitted by the building of the Ohio and Mississippi railroad, the Pacific railroad, and the northern lines going from it. Although we have sunk money in these enterprises, we have received great benefit from them. So it will be with a road from the very centre of the country, (which is St. Louis,) to the Pacific. Throughout the whole land, you will feel the reviving influences which such a road will produce.

Mr. TREZEVANT: I cannot but think that we are wandering very far from the subject. (Laughter.) The proposition itself has neither head nor tail to it. The proposed road is to begin somewhere at the West, and to end on the seaboard, perhaps at Portland or Bangor. The proposition is very indefinite, but, still, indefinite as it is, we have wandered far, very far from it. I do not know that on so indefinite a proposition, a general discussion can be had; but if gentlemen consider the various plans for a railroad westward to the Pacific, *via* my place, Memphis, and Fort Smith, I will refer them to the debates of the Board at Cincinnati, where the whole subject was examined and decided by a very large vote. If the action of this Board shall have any force at all, this very route, so urgently advocated, has already been approved by this body once, and surely it cannot be necessary to revive it.

This is merely a suggestive assembly of gentlemen, not Congress. I desire to say, that the country is very well informed of the action of the National Board of Trade at its last session; as well, perhaps, as it will be of the action of the Board at its present session. But there are objections in my mind, to the proposition before us, which are very serious. It contemplates what I think may be regarded by a great many of the States as an unjust usurpation of rights and privileges already granted. For instance, I will take Massachusetts. Suppose a railroad should be chartered to run from the Pacific

directly to Boston. Massachusetts, I suppose, has already chartered railroads running from Boston, westward; she has granted them certain rights and privileges; her capitalists have invested money in those roads on account of the grant of those rights and privileges. Now, the General Government comes in and says, "We will charter a railroad, whether you say Yes or No, from San Diego to Boston, on the most direct practicable line." I say nothing of the question of subsidy, for that is not raised in the resolution; the charter from the Government is what I take hold of, and I say it is not in accordance with our previous custom that the National Government should step forward and charter railroads within the limits of States like Massachusetts, or Virginia, or Illinois. This is treading upon very delicate ground. I do not pretend to say that you will array a State in direct, actual conflict against the General Government, physically, but you may raise a very serious conflict of opinion; and I think it is our province here to avoid all such issues. We might array the Government against what may be claimed to be, whether correctly or not, the rights of the States; for I am one who believes that the States yet have some few rights.

Suppose a road should be chartered; by whom is it to be located? By Congress. Suppose a State should step forward and say, "We don't want the road located here." Suppose the Legislature of New York should protest against the location of a road by the side of the New York Central; or the Legislature of Pennsylvania protest against the location of another road by the side of the line from Pittsburgh to Philadelphia, saying, "We have citizens who have millions of dollars invested in these enterprises." Suppose the City Councils of Pittsburgh and Harrisburg, and all the other towns interested in existing lines, come up and say, "We object to this thing, if the Government please," — will Congress say, "Well, you may object; we intend to charter and locate the road just the same"? Sir, it is fashionable now-a-days to have "rings" for everything, and I know nothing connected with the Government that is so rapidly driving into "rings" as railroads. You will have a "ring" to locate this road, interested in the location of it, and it will treat private and State interests with contempt. I am not prepared to say whether this be constitutional or unconstitutional, but I say it will be wise for us not to trench upon ground that may prove thus dangerous.

It seems that we are to build railroads to bring meat and bread to people. There may be a great deal of wisdom in that; I will not question it at all; I know there is a necessity for it; but, Sir, is it not better that railroads should be constructed, and by that means

people carried to the country where meat and bread are produced? Why, Sir, the advance in the price of food to-day above what it was twenty-five or thirty years ago, is so great that it may very well startle any philanthropist. High as we think the price of cotton has gone, the fabric that clothes more people than any other in the world, yet the price of food, for the last thirty years has advanced more rapidly, more steadily, than the price of cotton. The reason is very apparent. All good things have their evils. As the rose has its thorns, so railroads have their evils. One of the tendencies of railroads is to concentrate population in cities. There are some remarkable facts connected with the history of this country during the last twenty-five or fifty years. From 1840 to 1850, the rural population of this country increased thirty per cent. From 1840 to 1850 the city population increased eighty per cent. Seventy years ago, the proportion of city population to rural was one to eleven; now, Sir, it is one in five. What does all this mean? It means that producers are becoming less numerous, and that consumers are all the time increasing. The productive capacity of the country, that which develops the country, has not kept pace with that which consumes what the country produces of meat and bread, the staff of life. I am a railroad man, thoroughly. I am for the construction of railroads, because they develop the country, they invite the city population into the country. But, at the same time, I am opposed to the absolute, unqualified, unreasonable usurpation of the right to construct them when and where the Government may please; I mean, in the States. So far as the construction of this Pacific railroad is concerned, going through a country where scarcely anybody lives, where it would be a blessing and where everybody would advocate it, I am for it. But I think it is a very serious question to favor the construction of a line of road parallel with, and directly antagonistic to those already in operation.

Mr. KIRKLAND: I did not design entering into this discussion. I agree substantially with my friend from Memphis, in regard to the policy of the Government chartering lines to the Pacific. We have now one through line to California, and if more are necessary to meet the wants of commerce, they will be built. Five through lines have been proposed, leading to various cities on the Atlantic seaboard, in which my village has been completely ignored. We have a railroad, however; and I believe that the action of the Baltimore and Ohio railroad has done more to cheapen railroad freights to and from the West, than any other line of railroad in the United States.

Railroads are now in course of construction from some of the principal Southern cities (Charleston, Savannah and Richmond) leading to the West. And not only are individuals interested in those roads, but in some sections the States also. For instance, the State of Maryland and the city of Baltimore have about eight millions invested in the Baltimore and Ohio railroad; but the State of Maryland and the city of Baltimore are willing and will rejoice to see railroads "increase and multiply" in the United States. They were the pioneers in the building of railroads, and through one section of the country they have built a road which was, at the time of its construction, the wonder of the world; their engineering feats may have since been surpassed; they were, however, the pioneers. Maryland would dislike to have Congress come into the State, and, taking advantage of the experience of the Baltimore and Ohio railroad, locate another line parallel with that road. As I said before, that road has kept down the rates on freights to and from Cincinnati at twenty-five or thirty cents a hundred. It has refused to enter into combinations with other roads to put up the rates of freight, and it has a line, the advantages of which enable it to carry freight to the West at this rate, and make it remunerative. I do not believe it would be expedient for this Board to pass a resolution endorsing the location of freight roads, as proposed in the resolution under discussion.

As far as regards the power and duty of the General Government to extend the same aid to the Southern Pacific railroad that it has granted to the Northern and Central Pacific railroads, I, as a citizen of Baltimore, have no doubt of their ability and duty to grant that aid. Various schemes of internal improvement have been mentioned as receiving the support of the Government, as for instance, light-houses, break-waters, and similar works. The cases are not analogous, because these were constructed in the interest, not only of seamen and others who live upon tide-water, but of the whole country and commercial world. The General Government *did* build, in times when this question of State sovereignty was very much more seriously debated, a National road from Washington to Columbus, Ohio; and at one time, that road was the only easy, practicable way of getting from the West to Washington. The General Government donated that road to the States in which it lies, on condition that they should keep it in order; and *to-day* that road, in certain portions of Ohio, is invaluable.

I was present on the occasion of the completion of the Baltimore and Ohio railroad to Wheeling; a man told me that after he located near there he had to give a bushel of wheat for a pound of nails,

which he wanted to shingle his barn. "Now," said he, "with the railroad open, I am selling my wheat for about a dollar a bushel, and buying nails for five cents a pound." I believe that this illustration will apply to the country lying on the thirty-fifth parallel of latitude. The people of that section may produce thousands of bushels of cereals, but there is no way of getting them to market. The General Government, in opening this country to settlement, derives very much more benefit from the taxable property created on the line of that road, and from the population there, than the mere land which it donates, which is valueless in its present condition, but which the construction of the road will make valuable. These propositions are so palpable, and have been so much argued before this body, that it is needless to dwell upon them. But Baltimore, as far as she is concerned, would cheerfully urge her Senators and Representatives in Congress to authorize the Government to make subsidies to the Southern Pacific railroad, under such restrictions as would prevent the squandering of the money, in its expenditure for illegal purposes. This road cannot be built without Government aid; the population cannot build it. The General Government can, by donating land, give such aid as will ensure its construction within a short time, and thus open up to settlement a country which is probably the most attractive of any in the West.

I shall vote against this proposition, but inasmuch as the debate has taken so wide a range, and my friend from St. Paul has used the occasion to ventilate the general proposition of aid to railroads, I have made these remarks.

MR. HOLTON : I imagine that the Board will not very greatly prolong the discussion of this question. It is no new question to gentlemen who have attended the former sessions of the Board, and particularly those who participated in the Boston Convention. I voted against the proposition made at Cincinnati last year, to give aid to the Southern railroad. My friend from Philadelphia, (Mr. WETHERILL,) if I recollect aright, urged that measure with great force; I am glad to see that he has changed his opinion, if I understand him correctly now.

So far as the immediate proposition before us is concerned, coming from the Chamber of Commerce at Chicago, coupled with the great idea which Mr. WALBRIDGE gave us in Boston, two years ago, where he brought forward the same grand project, and urged it with signal ability in a speech which he has repeated at each meeting which I have attended, and I have been greatly interested by it, and hope he will continue to repeat it, for I have no doubt that the time will come

when some of the ideas he has advanced will be appropriated to the public good, — I say, so far as the immediate proposition before us is concerned I shall be constrained to vote against it, as two years ago, in Boston, I voted against the proposition of Mr. WALBRIDGE.

The gentleman from Memphis has touched upon a most important point, which we have overlooked; namely, the *power of the State*, which has given us almost the whole of the momentum which we now enjoy, arising from the use of iron and water highways. I come from Wisconsin — a humble State. She lies adjacent to Illinois, and you do not often hear of her. But I saw the first subscription made for a railroad in the State of Wisconsin, which now has its hundreds of miles of railroad, built without aid from the State or from the National Government, but simply by the force of free labor, local free labor, the greatest power I have ever yet seen exercised in any community. I had the honor to be Chairman of the Committee at Boston which recommended that National subsidies should at a proper time be given to a railroad from Lake Superior to Puget Sound; that grand railroad, which I hope to see commenced, completed and in successful operation before the hairs are very much more gray than they now are on my head; so likewise of the Southern railroad. But to-day, I am compelled to withhold my support from any proposition for the granting of Government subsidies to either of these enterprises, other than the right of way, and a fair portion of land.

We built a railroad to the Pacific ocean, because of the exigencies of the case, so eloquently stated by the gentleman from New York, (Mr. WALBRIDGE.) That is done. Whether well done or badly done, matters not; we have got to foot the bills. It is done, and I accept the situation. I approve of the construction of that road, as a necessity growing out of the exigencies that surrounded the country at the time. The Northern road is not yet built; they need further time. It is asserted that about sixty millions of acres of land have been granted them. I do not know but we ought to take back a part of that grant. It is too much. This is really a baronial gift, hardly equalled by any of monarchical or autocratic governments. It is not needed for the construction of the road. That great army of Norwegians and Saxons and Teutons now pressing thither, with their strong arms, are abundantly able to build the road. The Government must hold the public lands as a patrimony, for the benefit of the whole people. It has no right to vote them away like great baronial possessions, the evils of which are likely to outweigh the benefits which will result. They are, I repeat, unnecessary. The Norwegians and other emigrants will take that land and improve it,

and build the road. The Federal Government should retain it for the use of the public, which was the condition upon which it received it. Still, they have got that, and, to say the least, it is all they should have; it is, in fact, too much. I would give an equitable donation to the Southern road. I am astonished to hear it said that Congress has refused the right of way to it. I think there must be some mistake about that. It will all come right, I have no doubt, in the end.

Nor am I concerned to-day that we make particular haste in the construction of these roads. I do not think that we need to occupy our time here in the discussion of this question. We have too much intermediate, too much present work to do. I will not, therefore, take the time of the Board on this subject. I rose merely to see if we could not get practically at the question. I see we have referred to a Committee several questions of internal improvements. Should we not do well to send this also to the same Committee. I suggest whether we had not better send the whole question of internal improvements to a Committee, to bring in something that shall harmonize with the conservative position which we must expect to take here as a National Board of Trade. We should recommend only such acts as are practicable and right. If you are going to pass this proposition from Chicago, you must put it in the form of a general law of Congress. If it could be done consistently with the rights of the States, I am not certain but that a plan might be searched out by which a general law could be enacted, if the public necessity requires it. That time may come, but I am not prepared now to recommend that Congress pass such a law. I should vote against any proposition of that kind.

I now move to refer the subject before us to the Committee already appointed.

Mr. OPDYKE : I shall feel constrained to oppose the motion for reference, as I shall also both the pending amendments; and I can best give my reasons for that opposition by stating briefly the grounds on which I heartily approve the substance of the original proposition, not its precise form.

What is that proposition? It is no more nor less than this: that this Board, representing the mercantile and commercial interests of the United States, shall recommend to Congress to authorize by a national law the construction of railroads for the transportation of freight to and from the seaboard. That is the substance of it. The first question to be settled is, has Congress the power? Second, if it has the power, is it expedient that this should be exercised? Congress, we know, has exercised that power in the chartering of

railroads already, and we know that it has had before it, for several sessions, a bill proposing the chartering of a road from the city of Washington to New York. That power has been grounded on military necessity, and a freight road, perhaps, would be grounded on the same. But I hold that the Constitution of the United States, in conferring upon Congress the power to regulate commerce among the several States, has conferred the precise power which we propose to ask them to exercise.

Now, Sir, a railroad has trains upon it, and the trains with the merchandise in them is as absolutely part and parcel of the commerce of our country as a ship and its cargo. They pass over State lines, and that brings them, in my judgment, directly within the limits of the power conferred by the Constitution. It has been objected, that it is an interference with State rights and State interests. I cannot speak for other States; New York may be a solitary exception, though I suppose it is not; but she has made the railroading business within her limits free as she has made her commerce free in all respects. Any combination of men, who can raise the requisite capital, have the right, upon conforming to certain prescribed rules, to build a railroad in any part of that State; they have a right to cover the entire surface of the State, if they see fit. If other States have limited their grants for railroads, and by that limitation have created a monopoly, does that establish a precedent in favor of monopolies of that kind? It is for precisely that reason that I think we should ask Congress to protect us from the dangers of such monopolies.

Let us look at the progress of railroading in this country from the seaboard to the West. We have seen, within the last few years, road after road united and consolidated, until we have got, from the city of New York and the city of Philadelphia, two or three lines, which have made their connections to and beyond the Mississippi and the Missouri, and are now looking to see how they shall connect with the Pacific railroad, and thus control all the travel and transportation that come over those lines. It may be said that, their number being plural instead of singular, it is impossible that they should constitute a monopoly; but we have seen in New York, within the last year, a combination of three of the leading lines to fix the rates of freight. In consequence of the defection of one of the lines, it did not last long; but that affords no security for the future.

Do we need these lines? The gentleman who has supported this proposition, embodied in his argument an array of statistics and facts relating to the progress of transportation in this country, which went to show that the progress of civilization is gradually destroying the

power and influence of inland water communication, and that freight is being transferred to railroads. Railroads are a later production of the human intellect, and every year proves that they are destined ultimately to supersede artificial water navigation. That time is not yet, but the progress of events proves that this is the tendency. This being so and the lines of railroad already established in this country being imperfect and insecure in their construction for heavy freight trains, and undertaking also the business of transporting passengers, they are not able to convey the heavy commodities produced in the West to the seaboard with that cheapness and economy which could be done by railroads such as are proposed.

It is, therefore, first for the sake of protecting the commerce of the country against the effect of railroad monopolies, that I am in favor of this resolution ; and, secondly, because I believe it will be very beneficial to the commercial interests, — and when I speak of these I speak of the entire interests of the American people, — to have transportation cheapened. I believe in the capacity of railroads, when properly constructed, to transport freight as cheaply as it is now carried by water lines. I am satisfied that, with the advent of the telegraph and its connection with Europe by the Atlantic cable, which has made it emphatically the nervous system of commerce the world over, the element of time has become so important, that increased rapidity will be given to the transition now going on from water to railroad transportation. That is all I desire to say in favor of the proposition.

Now, I want to criticise, very briefly, its form. It is very indefinite. No point is named at the West, (and it would have been very improper to have named any point,) and no point is named on the seaboard. What I would propose is, to so modify the resolution as to ask Congress that whenever any association of capitalists should come and petition it for such a grant, no matter what points the proposed line may reach, it should be given, under proper safeguards, in the interests of commerce, limiting the maximum charge to a rate which should afford a reasonable profit. Then, in the progress of competition, Congress standing ready to grant any new road which may be asked for, the rates may be brought much below the maximum point.

The rights of property have been referred to, and I agree with the remark that has been made, that there is a distinction between the rights of private property and of corporate property. Corporations are creatures of law. It has been said that they "have no souls ;" it is proper, therefore, that the power, whence they emanate, should continue to exercise proper control over them, and to bring and keep them within the limits of justice and equity.

I hope that the modification I have suggested will meet the approval of the Board. I think we have no proposition before us more entirely unexceptionable, and it is one which, in my judgment, it will be found necessary, sooner or later, to adopt for the protection and progress of commerce.

Mr. DORE: Inasmuch as there has been great latitude allowed in this debate, and it has been asserted by the gentleman who last occupied the floor, and by my colleague from Chicago, (Mr. RICHARDS,) that in their opinion, the time is coming, and perhaps may not be very far in the future, when railroads will entirely supersede water carriage, I beg the opportunity to express a difference of opinion.

I hold that there is no other power under heaven that can ever regulate the tariffs on railroads but water. It has been said here by the gentleman from Dubuque, that the freight on wheat from Dubuque to Chicago is eighteen cents a bushel. I believe it is about one hundred and ninety-one miles. I have been told that last spring, the freight from the town of Fulton to Chicago, (one hundred and thirty-six miles,) was eighteen cents, and that statement was not contradicted. The freight on corn and wheat from Peoria to Chicago, one hundred and sixty miles, by the Illinois river and Illinois canal, is about five cents a bushel. Impressed with the fact, that water transportation is the only means to enable us to compete with and regulate the tariffs of railroads, the Legislature of Illinois last year appropriated four hundred thousand dollars for the construction of a lock and dam in the Illinois river, which will practically extend the Illinois and Michigan canal sixty-five miles, by producing slack-water navigation. It is also proposed to construct the Hennepin and Rock Island canal, with a feeder from Rock river to the canal, a distance of sixty-two miles; and I hope to live to see the day when the upper Mississippi will be connected, by means of the Hennepin and Rock Island canal, the Illinois river, and the Illinois and Michigan canal, with Chicago. The whole expense of this improvement is computed to be about four and a half millions of dollars. If any one will look at the map, he will see that such a canal, with a feeder connecting it with Rock river, will give two-thirds, if not three-quarters of the whole State of Illinois the benefit of competition with railroads by water transportation.

It seems strange to me, that gentlemen should attempt to show that water navigation is going to be superseded. I hold that the day has passed when canals will be cut out into the prairie; but that water communication by canals will be the order of the day for the present and for the future, in connection with great natural channels,

there can be no doubt. What has just taken place in the East? The most stupendous canal ever thought of has just been opened, connecting the Red Sea with the Mediterranean; and the project is now in contemplation of connecting the Gulf of Mexico with the Pacific by means of a ship-canal.

Mr. CARRINGTON: I will detain the house but a few moments. What I have to say is merely suggestive, with the hope of eliciting the views of gentlemen who are perfectly qualified to discuss these questions — much more so than myself.

The resolutions before us, as I understand them, have reference to a given state of facts, which I understand to be admitted, without a dissenting voice. And what are those facts? That the highest interest of this country just now requires the cheapest possible transportation from the valley of the Mississippi to the Atlantic seaboard. From what we have heard here, I should infer, if I were a stranger, that that is a question of the greatest importance to the toiling millions of producers in the valley of the Mississippi, and to the toiling millions of consumers on the Atlantic seaboard; and when that is said, I say it embraces all the necessity that exists for this measure. That is admitted; and to that proposition the gentleman from Chicago, (Mr. RICHARDS,) addressed himself, in an exceedingly able speech, and with a boldness and manliness which I admired, and here take occasion to express my admiration of. He undertook to show, by statistics, what that necessity is, and the inference to be drawn from the exhibition he made to us is, that unless something is done to relieve that necessity, the wealth and prosperity of this country, in those respects to which I have referred, will suffer exceedingly.

Again, Mr. Chairman, it seems to be as universally admitted here, that the present means of providing for this necessity are inadequate, for one reason and another. One reason that is urged is, that the existing railroads are monopolies, controlled by great masses of capital, ever aggregating itself, and perpetuating its own power for the purpose of aggregating itself, holding in its hands the interests of the country, and taxing at pleasure the population of this land; (I am only repeating what has been said here.) That is one reason, I say. Then again other gentlemen say it is because capital, as at present distributed, is insufficient to furnish the needful relief. Whatever the reasons are, it seems to be the unanimous sentiment of this Board, that the means of communication between the Atlantic seaboard and the valley of the Mississippi are wholly inadequate, and in con-

sequence, a considerable portion of the crop of the West is detained at home, the cost of transportation being too great.

I hold in my hand a paper, which I did not prepare myself, but I vouch for the accuracy of the gentleman who did prepare it, in reference to the present cost of transportation on given railroads. It is condensed from the last report of the Engineer of the State of New York, and the figures go to support the view which I understand to be entertained by this Board, namely, that the means for the transportation of the products of the valley of the Mississippi to the Atlantic coast are inadequate to such an extent that the interest of the whole country requires that the facilities for transportation should be at once increased; and if there is any question which addresses itself to the interest of the National Board of Trade, and to the whole country, it is that question.

This table includes many railroads not connecting the East and the West, but two of the great through lines are mentioned:—

	For a ton a mile.	
	Charges.	Cost.
Buffalo and Erie,	3.46	2.63
Erie Railroad,	1.92	1.35
Hudson River,	3.36	2.45
New York Central,	2.59	1.64
New York and Harlem,	7.62	5.78
Ogdensburgh and Lake Champlain,	2.66	2.04
Oswego and Syracuse,	4.49	3.52
Rome, Watertown and Ogdensburgh,	3.38	3.24
Syracuse, Binghampton and New York,	1.53	0.89
Average,	3.47	2.60

The State Engineer reports that the average sum received for transporting one ton of freight one mile, on all the New York railroads, for 1868, was two dollars and forty-one cents, and the average expense of transit one dollar and seventy-four cents.

These are the facilities. These railroads furnish all the facilities for the transportation of the products of the valley of the Mississippi to the Atlantic seaboard, other than those afforded by the river itself, by the way of New Orleans.

Now, Sir, the able gentleman from Chicago proposes a remedy. His remedy is a double or treble track freight railroad, which shall be so constructed and operated that these products shall be carried to and fro at the cost of transportation, and a reasonable income on the

investment. What that cost of transportation will be, the distinguished gentleman does not inform us. I do not know that he made an estimate of the cost of transportation.

Mr. RICHARDS : Yes, Sir, I did. Ten cents a bushel from Chicago to New York : three-eighths of a cent a ton a mile.

Mr. CARRINGTON : I have read with pleasure a discussion on the subject of the construction of a double or treble track railroad, one of the tracks to be used for passengers, before a Committee of the Massachusetts Legislature, by Mr. EDWARD CRANE and General HAUPT, formerly Chief Engineer and General Superintendent of the Pennsylvania railroad, in which Mr. CRANE made a speech of exceeding interest and ability. The whole subject was fully discussed by these two gentlemen, evidently thoroughly qualified to speak upon it. The delegates present from Boston are much more familiar with this document than I am ; but General HAUPT proposed the construction of a railroad, to be devoted exclusively to freight, running at an uniform speed of ten miles an hour. The road was to pass six trains each hour, and could deliver six million tons of freight. I find he puts down the expense of transportation by such a railroad at one cent a ton a mile, to cover all contingencies.

I feel an exceeding interest in the subject, as presented by these gentlemen, and I do not mean to criticise that plan, except in view of the following facts. We have seen, so far as the State of New York and its railroads are concerned, what relief they furnish to the necessity of the West and the whole country.

Now, Sir, in all this discussion, I do not know that we have heard the Erie canal mentioned, except by the gentleman from Chicago, who last addressed the house, (Mr. DORE,) unless it were incidentally, in connection with the statement that the time had passed for water lines, which were to be superseded entirely by railroads. What are the facts with reference to the Erie canal, reported by the State engineers? The Erie canal has carried freight as low as one cent a ton a mile, within a fraction. I have this statement : —

“ The cost of transportation on the Erie Canal, a ton a mile, exclusive of tolls and carrier's profits, is 4.61 mills. The average carrier's charges upon all classes of freight on the New York canals is 5.66 mills a ton a mile. Average receipts from tolls upon all classes of freights a ton a mile, 4.38 mills. Total charges a ton a mile, 10.04 mills.”

This statement goes to show that at the present time you have a class of freight transported between the East and the West, to the extent of the length of the Erie canal and the lakes, at a cost of a

fraction more than one cent a ton a mile, which was the rate estimated by General HAUPT on this freight railroad, with a third track for passengers.

[Here the President's hammer fell, the speaker's ten minutes having expired; an extension of time was granted.]

Now, Mr. Chairman, the State Engineer of New York says further, that if that canal is enlarged, and if steam is introduced upon it, the cost of transportation will be reduced fifty per cent. If, in addition to that, it was made a free canal, is there any freight railway ever dreamed of that could compete with it? You have an existing line there, a successful one, financially and in every other respect, which has paid for itself, and built, perhaps, the whole system of canals in the State of New York—the Erie canal. This canal, I say, has been a grand success in every respect, and has done much towards the development of the whole country; and even now it is carrying freight within a fraction of the price which the most sanguine expectation fixes as the minimum rate for railroad transportation, with steel rails and every other improvement which can be devised in connection with railroad construction and management.

I cannot forbear in this connection referring to a pamphlet which came to me a few days ago, — a letter written by one of the most distinguished civil engineers of the United States, General CHARLES ELLET, well known in this city, and well known to many of the members of this Board. The letter was written in 1844, and, comparing the cost of transportation by rail with water transportation, he says, “I have never yet heard of but one railroad company that pretended to be able to pay its actual expenses for less than two cents a ton a mile, though there have been several instances of an intention at some future day to work cheaper than that.” Twenty-five years after that was written, with all the improvements that have been made, and all the surmises with reference to what is going to be done to make canals unnecessary, and the assertion therefore that we should do nothing to extend, enlarge or multiply them, — after the lapse of a quarter of a century, I say, the cost of transportation on the railroads in the State of New York is but a fraction less than two cents a ton a mile.

I did not intend to speak on this question at all. It is well known here that there is upon the programme a reference to another line of water communication, upon which, at the proper time, I may have something to say. My only intention in rising was to call the attention of this body to these facts. Let us understand them. I do on

my conscience believe, that the interest, not only of the Atlantic States, but of the whole country, lies, not in abandoning these water lines, but in enlarging, extending and increasing them in every way possible; and especially in view of the suggestion by the gentleman from Chicago, (Mr. DORE,) that they afford the true remedy for the present difficulties in reference to the monopoly of railroads. In my judgment, the true solution of your troubles is by the establishment of the cheapest possible lines of water communication, and by compelling, if it be necessary, the railroad companies, in private hands, to carry at the cheapest possible rates.

Mr. RICHARDS: I do not intend to debate this matter any further, but I rise simply to reply to a few points that have been raised, almost, as I might say, as to matters of fact.

I have not presented this question simply upon the basis of what is now being done, but upon what can be done, practically. I have the authority of the manager of the western half of the Pennsylvania Central route between the Atlantic and our city, for the statement that grain can be carried from Chicago to New York, on a specie basis of values, at thirty cents a hundred pounds. That is cheaper than grain was ever yet carried by the lakes and the Erie canal, at all events.

But, Sir, as I have before said, railroad iron and the railroad are almost one and the same thing. It is a fact, that steel rails can be made nearly as cheaply as iron, and it is a fact that one steel rail will last as long as twenty iron rails. These are facts to be considered. I will also state that the Erie railroad carried, in 1861, all its freight, every kind of merchandise included, at one cent a ton a mile. That has been done.

Now, Sir, it is a fact that grain is leaving the Erie canal at a very rapid rate, and going to the railroad,—even the present railroad, with even the present charges; and it is certain, in my opinion, and that opinion is derived from individual experience, to leave the canal altogether at a very early day.

There are some gentlemen who have expressed a doubt to me, whether trains can run as near to each other as they would be if started every five minutes. I will state that trains on the underground railway in London now follow each other at that interval. Furthermore, they stop every half mile. The engines that haul the trains are forty-five ton engines, and between the stations they reach a speed of forty miles an hour.

Again I will say, if I was wrong in the statement that freight can be carried by railroad cheaper than by canal, the other fact still remains, that the grain or produce of the West is not going by canal.

And I will tell you why. Nearly all the products of the country, if put into a railroad car to be carried to a water course, must pay the local rate ; and, furthermore, when that grain reaches the Atlantic, it has got to pay the local rates to the place of consumption in New England or elsewhere in the interior. These two local rates absolutely and unqualifiedly control this question, if the rate alone does not. The facts are justifying it, and will continue to do so more and more every day.

I will not detain the Board any further except to say that this is not a question chiefly interesting to us in the West. I have stated that fact before. It is a question chiefly interesting to the people of the Eastern States who consume these products. We shall not much longer ship grain at all at the present cost of transportation ; we shall have a population at home that will consume all we produce ; the Eastern people will have to come and live with us. Therefore, I say, it is not a Western question at all, but it is an Eastern question, and I have endeavored to show what it is that we want, in order that they may obtain bread.

Mr. CHITTENDEN : I do not rise to continue this debate, but I beg leave to correct one most surprising error into which the gentleman who has just taken his seat has fallen, in regard to steel rails. I undertake to say that there is no reliable evidence in this country, where the experiment has only been very partially tried, that a steel rail will outlast ten good iron rails. There have been some assertions of that sort, but our experience on the Delaware, Lackawana and Western railroad, where special pains were taken to import the very best steel rails, and compare them with iron rails made right at our own door, shows that one iron rail will last as long as two steel rails. Furthermore, and more decisively on this subject, the gentleman will fail if he attempts to show that in England, where steel rails were invented, and where they are now manufactured very largely and sent to this country, they are regarded as more economical than iron rails ; on the contrary, it is well understood that the most experienced railroad men in England, discard steel rails for two reasons : first, they cannot reroll them, and, second, they cannot sell them for any valuable purpose ; when once disabled, they are gone. I say, Sir, that it is yet a problem to be decided, whether steel rails are as economical as the best iron rails.

A single word more, if the Board will pardon me. It seems to me that this Board is in danger of taking a false step in regard to this subject. I cannot determine how far the gentleman's arguments will prevail with those who are present, but I am perfectly certain that the public mind is poisoned in regard to the immediate necessity

for a large increase of our railroad facilities. I am one of the youngest men among you, but in respect to this matter, I am a very old fogie. I believe that this country is rushing madly on towards ruin, and I am exceedingly concerned about the flood of new railroad bonds now being pressed upon us. I believe, furthermore, that if this Board wishes to discredit itself before the country and before the world, it has only at this time to recommend to Congress to subsidize new railroads. (Applause.) I have listened to my friend from New York, (Mr. WALBRIDGE,) who proposes five grand lines from the Mississippi, and to the eloquent gentleman from St. Paul, (Mr. TAYLOR,) who proposes a grand continental line, and to other gentlemen who have debated the question of a northern line to the Pacific ocean. I need not, Sir, attempt here to make any estimate of the matchless resources of this country, or to calculate its prodigious, undeveloped forces; but I tell you, that these forces can never be developed by Congressional subsidies, and there is no exigency existing, in my judgment, at the present time, for making the attempt. We have one railroad to the Pacific. I rejoice that we have; but before Congress shall undertake to build another, let us see what we will do with that. We have that to conserve and protect, and stranger things have happened than that it should fall into the hands of the Government to be taken care of and kept in running order. I am opposed, therefore, and I believe that the sentiment of the country is thoroughly opposed to all recommendations to Congress to subsidize more railroads. We shall get them in time. The natural resources of this country, will produce them. We are getting them rapidly enough; and if my prediction does not prove true, if we are able to carry out the schemes now in progress, if the enormous and daily increasing projects for building new lines of railroad can be supported, then I say that the inherent forces of this country, its prodigious wealth and its future grandeur, have not been dreamed of by the most visionary and enthusiastic man in the nation. I believe that there is a check to this state of things coming, and I hope, Mr. President, and gentlemen, that this Board will do nothing hastily which implies a contrary opinion.

Mr. MONROE: I rise while I have the means of making the correction before me, to correct two mistakes, and, therefore, mis-statements, which the gentleman from Chicago has made. He says that he has information that produce can be carried from Chicago to New York by rail for eighteen cents a bushel, and that that is lower than it was ever carried by water.

Mr. RICHARDS: I said thirty cents a hundred pounds.

Mr. MONROE: That is eighteen cents a bushel. I find in reports of the Chief Engineer of the State of New York for the year 1863, and 1868, (and wherever I have looked, it is about the same,) that wheat was carried from Chicago to Buffalo, for fifty-seven and one-half mills, and from Buffalo to New York for eleven and one-half cents, which makes a little less than seventeen and one-fourth cents.

Mr. RICHARDS: That is not corn.

Mr. MONROE: Corn is carried cheaper than that. I believe that corn was carried for five and one-fourth cents, and ten and one-half cents, making fifteen and three-fourths cents, at the same time.

Mr. RICHARDS: If you will include the transfer charges, it will more than come up to my figures.

Mr. MONROE: His next point is, that the Erie railroad, in 1861, carried freight for one cent a ton a mile. I have the report before me for 1861, and I find here that the New York Central railroad for the year 1861, carried freight for one cent and seventy-three hundredths a ton. That is all I have to say.

Mr. RICHARDS: The statement that the Erie railroad carried freight for one cent a ton a mile, I obtained from the report of the Auditor of the State of New York. I do not know whether it is correct or not; I presume it to be so.

As to the matter of steel rails, here is a very short statement which can be read to show that what I said about their introduction and wear, is true:

"There are already one thousand miles of steel rails laid in the United States, and they are being laid just as fast as the proprietors of railroads can get the money to buy them."

This statement is based on the reports of the engineers and superintendents of nearly all the prominent railroads in the country.

Mr. THOMAS: I have listened with a great deal of interest to the speeches which have been made upon this subject, but upon reading the proposition I cannot but think that there has been a great deal of irrelevant matter presented here; very interesting in itself, certainly, but not very applicable to the question before us. I do not see any resolution upon my programme, in reference to Congressional aid to this proposed railroad, nor do I understand that there is any question raised by the resolution as to the advantages of water as compared with railroad communication; nor is there any issue made as between a Northern and Southern line of railroad to connect

the Atlantic with the Pacific. These are all questions which have been brought up here and ably discussed, and yet to my mind they have nothing whatever to do with the proposition before us.

Now, I propose to offer as a substitute, the following :

Resolved, That this Board respectfully recommends the incorporation by Congress of such companies as may desire authority to construct railroads extending through two or more States of this Union.

It seems to me, Sir, that all that it is proper for this Board to do, is simply to declare the general principle in reference to this matter, and not to indicate particular routes. I am, myself, in favor of the construction of railroads and canals, wherever individuals can be found who are willing to invest their capital in them ; and I would gladly see a duplication of all the railroads in this country, for certainly the interests of the people of all sections, and the interests of trade and commerce would be promoted by competition in railroad transportation. From my own experience I feel that there is not a railroad in the country that has not outraged public sentiment and disregarded the interests of the people to an extent which would justify the annulling of its charter at once and forever. Discrimination in regard to freight, onerous burdens thrown upon business men, failure to deliver goods according to their ability to deliver them, — these evils have been carried to such an extent that the public voice of the country is loud in condemnation of these corporations, and if I could by one act annul the charter of every one of them without arresting the transportation business of the country, I would do it to-day, and commence *de novo*, re-chartering companies, under proper regulation, making them responsible to the people, and clothing them only with such powers as would enable them to accomplish their purpose to the satisfaction of the people generally.

I therefore, instead of the proposition now before us, submit this general proposition as the expression of this Board, based upon the assumption generally conceded, I believe, that the right of Congress to legislate upon this subject is undoubted — that we ask Congress to incorporate such companies as may propose by their own means to construct railroads or canals, giving them unlimited power to do so, provided they commence the work and complete it within a proper time.

A communication was read from the Richmond Chamber of Commerce, inviting the Board to an entertainment, on Saturday evening, at the Exchange Hotel.

A letter was also received from Mr. STOKES, of the same Chamber, conveying an invitation to make an excursion to Petersburg in one of the Steamers of the Old Dominion Steamship Company on Tuesday next.

On motion of Mr. WETHERILL, these invitations were accepted with the sincere thanks of the Board.

Mr. MONROE obtained the floor, but yielded to a motion to adjourn.

The Board adjourned to meet on Friday, at ten, A. M.

THIRD DAY.

FRIDAY, DECEMBER 3, 1869.

The Board met pursuant to adjournment, the President in the Chair.

Prayer was offered by the Rev. Dr. J. LANSING BURROWS, of the First Baptist Church, Richmond.

The Journal of yesterday was read by the Secretary, and approved.

The President announced the Committee on River Improvements and the Bridging of the Rivers of the West, as follows:

J. T. COOK, Cincinnati,	
M. R. CULLEN, St. Louis,	J. T. TREZEVANT, Memphis,
T. M. MONROE, Dubuque,	P. S. MARSH, Buffalo.

The Secretary read a telegram from Mr. GEORGE H. MORGAN, the Secretary of the St. Louis Union Merchants' Exchange, expressing regret that at the last moment the delegation appointed to attend the meeting found it impossible to leave home.

The PRESIDENT: When the Board adjourned yesterday, the resolution of the gentleman from Milwaukie, Mr. HOLTON, was pending, proposing to refer the proposition of Mr. RICHARDS, together with the pending amendments that had been offered to it, to the Committee on River Improvements; and upon that question, Mr. MONROE, of Dubuque, had the floor.

Mr. MONROE: When I arose, just before the adjournment, it was merely for the purpose of correcting a mistake of the gentleman from Chicago, (Mr. RICHARDS,) made by him in meeting a previous correction of a similar mistake. The gentleman had stated that the Erie railroad, in the year 1861, carried freight at one cent a ton a

mile. I thereupon read from the State Engineer's report, showing that the rate was nearly two cents; and the gentleman in reply said that his information was derived from the State Auditor's report, and he could not be responsible for its correctness. The gentleman's recollection on that subject was as much at fault as in the other case. I had the reports of the State Auditor before me, and while he was speaking, I looked at the report for the year 1861 on that very point, and I found it identical with the State Engineer's report. In 1861, the average rate a ton a mile on the New York Central railroad was 1.96; on the New York and Erie railroad, 1.73. That is the Auditor's report to which the gentleman referred, and in regard to which he was mistaken as to the fact.

This, it is true, is not directly in issue on the question before this Board, but the gentleman who advocated this resolution thought proper to invite a comparison between the cost of railroad and canal transportation, and I think when this Board is furnished with statistics, it is right and proper that they should be correct.

My attention is called to a table on page seventeen of the report of the State Engineer of New York for this year, and a comparison is there made for the years 1865, '66, and '67. I will read it.

					Av. receipts a ton a mile.
New York Central railroad,	1865,	.	.	.	3.31
"	"	"	'66,	.	2.92
"	"	"	'67,	.	2.53
					—
Average for the three years,	.	.	.	.	2.92
Erie railroad,	1865,	.	.	.	2.76
"	"	"	'66,	.	2.45
"	"	"	'67,	.	2.04
					—
Average for the three years,	.	,	.	.	2.42

The average receipts on the New York State canals, including the smaller as well as the greater (the rates on the smaller being of course higher than on the Erie canal,) were, for the first year 1.10; for the second year, one cent; for the third year, nine mills, which included both the cost of transportation and tolls, — the cost of transportation being a fraction over half those sums.

Now, in regard to the general plan which has been proposed here, which is to accomplish such grand results, I have a few criticisms to make; and in making them, I do not wish to be understood for a mo-

ment as objecting to the incorporation of a railroad by the General Government, to be constructed in the best possible manner, to carry freight cheap. But if this cheapness of transportation is based upon the idea that a train is to run every five minutes, I wish just to call the attention of this Board to the stupendous character of the work. A statement has been furnished me by an engineer, which I will read. I have figured it out myself, and have arrived at pretty much the same result.

The proposition is, that a double track road be constructed. If you are to have a road with such an immense number of trains going over it, you should have three tracks, to provide against accidents. It would be a double track road, one thousand two hundred miles long, (that is upon the supposition that it is about one thousand two hundred miles from the Atlantic to the centre of the grain producing region of the West,) with trains starting every five minutes, and running at the rate of eight miles an hour, each train consisting of fifteen cars, carrying ten tons each, or one hundred and fifty tons. There would be two hundred and eighty-eight trains, occupying twenty-seven miles of the track arriving, and the same departing, each day at each end of the road, or four thousand three hundred and twenty cars arriving, and four thousand three hundred and twenty cars departing each day at each end of the line, or eight thousand six hundred and forty cars to be received and dispatched, loaded and unloaded, each day at each end of the line. Moving at eight miles an hour, it would take one hundred and fifty hours to make the trip. There would be in constant motion on *each track* one thousand eight hundred trains, occupying one hundred and seventy miles on each track, and separated from each other by a distance of only two-thirds of a mile and five minutes of time. In other words, there would be three thousand six hundred trains, consisting of three thousand six hundred engines and tenders and fifty-four thousand cars, in constant motion on the road. The depôts and workshops would occupy about four hundred acres at each end of the line.

To ensure regularity and to avoid collisions, all of the one thousand eight hundred trains on each track would have to stop to wood and water exactly at the same instant, start again exactly at the same instant, and move at exactly the same speed. In other words, they would have to move with the precision and regularity of the heavenly bodies.

And, after all, this wonderful, impossible road, if run every hour in three hundred and sixty-five days, with full loads, and worked with celestial regularity, would have a capacity of only fifteen million seven hundred and sixty-eight thousand tons each way; while the

Virginia water line, with boats of two hundred and eighty tons and double locks, and used only three hundred days in the year, would have a capacity of sixteen million one hundred and twenty-eight thousand tons each way.

I have only this observation to make. We are very much in the habit of calling men visionary because they see things sooner than we do, or see them more clearly; and therefore when I use the word "visionary" as applicable to this great scheme, I must not be understood as saying that it will not sometime come to pass; but *when*, is the question. My impression is, that about the time when we travel in balloons, and make a morning call on the moon, on the way to Jupiter, this scheme will be carried out, and not before.

Mr. HOLTON: I beg to change the form of my motion made yesterday, which was that this subject should go to a Committee already appointed. I now move its reference to a special Committee of three.

The PRESIDENT: The motion will be modified accordingly. The question is still before the house.

Mr. TAYLOR, of Cincinnati: I shall vote against this resolution as presented by Chicago, and against all other resolutions of that character, which call upon the Board to advise the Government to exercise doubtful constitutional powers. I have been educated in what might be called the extreme Federal school, and am no violent States-rights man; but I agree with the gentleman from Memphis, that the States have some rights. They have some reserved rights, some confirmed rights, and some which they have acquired by long use. You may take the Federal Constitution, and perhaps by a very liberal construction of it, Congress has the right to charter railroads through the States, but it is a right which Congress has rarely exercised; it has passed into disuse. The States have been chartering banks and railroads since the foundation of the Government, with the consent of the General Government, and the sanction of the Supreme Court. I claim, therefore, that Congress has now no constitutional power to charter a railroad within the States, except upon the plea of military necessity, which, of course, does not obtain in this case; and I think if we are to have any influence over the legislation of the country, if we are to have any control whatever over commercial questions, we must strictly confine ourselves to our own business,—we must mind our own business severely.

I assent entirely to the proposition of my friend from St. Paul, that the General Government has the constitutional power to grant subsidies for improvements in the Western States as well as on the sea-

board ; I agree with him, that those rivers lying entirely within the boundaries of a State are not entitled to aid from the General Government, but that rivers which make the boundaries of States are as much entitled to governmental appropriations as the Atlantic coast. But that is an entirely different thing from this question of chartering railroads. I would add here, that the resolution of the gentleman from Chicago is entirely unnecessary, for this reason : There now exists in the State of New York a general railroad law, by which five or more persons can get together and organize a company to build a railroad. A similar law prevails in Pennsylvania, in Ohio, and in Indiana ; and "the chief centre of the grain producing region in the West"—Chicago—can build a railroad to New York, without asking permission of anybody. The laws already exist under which it can do this. Why, then, does it ask the General Government to charter this road ? Simply because behind this scheme is a determination to give this road a chance for a pull at the public teat. It would hardly be chartered before it would be said, "This is a great national work, from a great centre of transportation ; it must be subsidized ; it must have a grant of land ; it must have bonds issued in its favor." That is the real object of this resolution, because the people of Chicago can reach the seaboard without the intervention of the Government, by availing themselves of the general laws which already exist in the States.

It is hardly necessary to go into a comparison between water and rail transportation for heavy freight. I can mention a few facts which I think will satisfy you in regard to that. In Cincinnati, we bring molasses from New Orleans, fifteen hundred miles up the river, at fifty cents a barrel. I have often shipped thousands of barrels to New Orleans at thirty cents a barrel. It is all folly to suppose that any railroad can ever compete, for heavy freight, with these natural lines of transportation.

I want to say a few words relative to this system of subsidizing railroads, and building more roads to the Pacific coast. It is to be regretted that the Government did not construct a road by the southern route, which is undoubtedly the most feasible and the only one which will be available at all seasons of the year. But we have one road built and it is an experiment as yet ; I suppose it is doubtful whether it will ever pay. In fact, I doubt if there is any body within the sound of my voice who believes it will ever pay a dividend, or ever pay interest on the bonds which it has obtained from the Government ; or that the getters up and promoters of it ever expected it would pay anything. I regard that as a debt which the Government will have to shoulder ; but that road

seemed to be necessary, and now it must be sustained. These other roads projected from St. Paul and elsewhere must wait until the interests of commerce call for them. I do not see why any road should be pushed into that country where there are as yet no inhabitants, and where there is no freight for them unless they carry scalps and skins. But as that country becomes inhabited, and the interests of commerce call for the building of other roads, they will be built. I believe the proposition to be a correct one, that as fast as the interests of commerce call for a road, by some means or other that road is built. If we go on granting these subsidies and issuing our bonds, or becoming indorsers for these railroads under the fair promises that are made that these roads are to be such paying and profitable corporations, we shall find ourselves engulfed in an overwhelming debt. These subsidies have another bad effect. If the people of one locality find that a subsidy has been obtained by the people of another, they also apply for one; they want bonds; they want a railroad; they want this improvement; and if they are unable by their own unaided strength to carry their scheme through Congress, they log-roll, — they act on the principle, "You tickle me, and I'll tickle you;" and several combine and vote together. This thing will go on step by step, if we continue granting subsidies, until the noble science of government will be reduced to a struggle to plunder the Government; and how a body supposed to consist of economical, far-sighted, prudent men, can recommend to the Government at this time, when there is such a call for economy, when we are so heavily taxed, when we are bearing such an enormous debt, when the future to many seems so dark — but not to me, because I am hopeful — I say, how, in this critical period of our history, a body of merchants can recommend to the Government of the United States to incur a fresh obligation of this character, is to me incomprehensible.

Mr. RICHARDS: I call the gentleman to order. I believe there is no proposition before the house asking the Government to appropriate money.

The PRESIDENT: The question is indirectly raised by the amendment of Mr. WETHERILL, which is that this road, if authorized shall not be entitled to any Government subsidy. That, it seems to me, makes an argument against a Government subsidy perfectly fair, in considering the question.

Mr. TAYLOR: I have said nearly all that I wished to say in regard to the matter. I think that our policy as merchants is not to run to the Government, and ask it to do this and that for us. The

true policy for us was indicated by that body of merchants, who, when Louis XIV. said to them, "What can I do for you?" replied, "*Laissez nous faire*" — "let us alone!"

Mr. RICHARDS: Will the gentleman allow me to ask him one question? Is he in favor of the Government's doing anything for the improvement of the Mississippi river?

Mr. TAYLOR: I am — a very little, indeed. I was a member of the Committee at the Boston Convention which declared that in the present condition of the country, it was inexpedient to make any appropriations, except for the maintenance of works already in existence, or for the completion of works in actual progress, of the highest national importance. I am opposed to this waste of the public money. I believe that our duty now is to practice economy in every particular, and set our faces like flints against all these schemes of public plunder, — for they are nothing less than that. I move, now, to lay this whole question on the table.

The motion was adopted, by a vote of 30 to 16.

Mr. HOW: I have to report from the Committee on credentials, that we have received an application from the Minneapolis Board of Trade, which is deficient in some respects. We recommend that Mr. MENDENHALL, the delegate, be admitted to a seat upon the floor, without the privilege of voting.

Mr. JONES: I move that he have the privilege of debating, but not of voting, as is allowed to a delegate in Congress.

The amendment proposed by Mr. JONES was adopted, and the resolution in that form passed.

XIX. — NIAGARA SHIP CANAL.

The construction of a ship canal around the Falls of Niagara.

Mr. BAGLEY: I have a resolution which I would like to read in connection with this proposition:

Resolved, That the National Board of Trade would respectfully urge upon the attention of Congress, the urgent necessity of a ship canal being constructed around the Falls of Niagara, connecting Lake Erie with Lake Ontario, and that the Executive Council memorialize Congress to that effect.

Mr. CULLEN: I am now on the economical tack myself. (Laughter.) When we wished to build a Grand Trunk railroad to

pass through this great country, gentlemen claimed that we should economize. That road was to pass through the centre of the country, and all at once it is exclaimed on one side and on the other, "Lay it on the table;" and a minute or two afterwards, up jumps a gentleman, and says, "We want the public money here for a canal around Niagara Falls." No economy there! I tell gentlemen, let us have fair play. This idea of appropriating all the money on the lakes and on the seacoast, won't do. We have people at the West who want funds, we have people at the South who have been newly liberated, who want funds. We have an invigorating element among us from New Hampshire; we have also the strong arms of the German, and the patriotic arms of the negro, for the purpose of developing our country, and we want some of the public money expended for our benefit instead of its being all spent on one section. I therefore oppose in the name of St. Louis, this, or any other recommendation to Congress to spend any more money north of the thirty-fifth parallel of latitude.

Mr. BAGLEY: In proposing that resolution, the Board of Trade which I have the honor to represent, have their own views in regard to the manner in which this canal shall be built. It is looked upon by us, and by the producing interest of the West generally, as an important work, which should be secured. I have shaped the resolution in such a way that it might meet the hearty concurrence of the Board; not asking Congress to give its aid, but calling its attention to it, so that when its friends go to Washington with the bill, the measure will be favorably entertained.

Mr. MONROE: Before we vote upon that question, I think we ought to have some further information in regard to the cost of constructing such a canal, the existing state of navigation, and what it will accomplish. Knowing that the question would come up here, I have given it some consideration, and there are certain facts which, to my mind, are insuperable objections to an expenditure of money to a very large extent, by the General Government, for the making of this canal around the Falls of Niagara. In the first place, there is a canal already in existence, the free use of which we can have, connecting Lake Erie with Lake Ontario — the Welland canal.

Mr. BAGLEY: The free use by paying for it.

Mr. MONROE: Certainly. I presume those who use the proposed canal, would have to pay for it, unless the Government is expected to make the canal and present it to the people. If that is to be done, there ought to be a strong case presented to show that

the interest of the country demands it. Now, let us look at some facts.

Mr. BAGLEY : I would state for the information of the Board, that the shipping of the lakes has the privilege of using the Welland canal by paying for it. That canal belongs to a foreign government, and, of course, is entirely under the control of that government. It will only admit vessels carrying eighteen or twenty thousand bushels, and we have vessels on our lakes that will carry forty-eight or fifty thousand bushels.

Mr. MONROE : So far as I have looked into this question, I find this to be the state of facts : After getting from Lake Erie into Lake Ontario, through this canal, suppose it to be of sufficient capacity for vessels carrying forty-eight or fifty thousand bushels of grain (and of course, it will have to be a very large canal to have that capacity — there is a lockage of three hundred and thirty feet from one lake to the other,) you go one hundred and fifty miles through Lake Ontario ; and then how do you get an outlet ? There are three modes of outlet from Lake Ontario. One is down the St. Lawrence river, two hundred miles, making three hundred and fifty miles so far ; down one of the most difficult rivers in the world to navigate, considering its magnitude ; six canals flanking the chutes in the St. Lawrence river take us to Montreal ; one thousand miles more to Belle Isle, at the mouth of the St. Lawrence bay, on the Atlantic ocean. We reach the Atlantic ocean eleven degrees north of New York ; in the latitude of Baffin's bay, in one of the most inhospitable climates in the world, where the only evidence that the St. Lawrence is a channel of commerce, is the erection, by the British Government of some three or four sheds for shipwrecked mariners, to supply them with fuel, food, and everything of that sort. Another outlet to the Atlantic ocean, is by one of two railroads. The plan generally relied upon, is a railroad with a double track, which, it is claimed, can carry freight at one cent a ton a mile, paying no profit. The distance is three hundred and sixty miles. It would therefore cost three dollars and sixty cents a ton. After you have gone through this canal, and reached the other end of the lake, a distance of more than one hundred and fifty miles, it will cost you three dollars and sixty cents a ton to carry your freight to the Atlantic ocean, while the Erie canal will take it from Buffalo to New York, for a great deal less than three dollars and sixty cents, provided it is forced to carry at the lowest rate by sufficient competition. Another way is to go through Lake Ontario, down the St. Lawrence, to the mouth of the Sorel, and then come back through the Sorel to Lake Champlain,

and into the Erie canal, and so down to New York, a distance of nine hundred miles.

The Erie canal is mistress of the situation. She defies a competition which requires you to go further north of New York than Florida is to the south of it; which requires you to go to the latitude of Baffin's bay to get to the ocean.

Again, so difficult is the navigation of that river, from fogs and other causes, that according to the official report of the State Engineer of New York, the cost of transportation from Quebec (a great deal nearer than New York,) to Liverpool, is twice as much as from New York. You can actually carry freight from Buffalo by the way of New York to Liverpool, for less money than from Quebec to Liverpool.

It is said by Lord COKE, I believe, that "municipal laws are the perfection of human reason." I have not been able to see it in that light, so far as these are administered in this country. But one thing is certain, that when there are two or three channels of commerce presenting themselves to the consideration of the commercial world, and it rejects one and adopts the other, that which it adopts is certain to be the best. There are no exceptions to that rule. Now, it appears that for a number of years with the Welland canal in operation through which boats, barges and steamers may pass, the number of vessels coming up the St. Lawrence river to go through that canal does not exceed two or three a year, and these of small capacity; while there passed through the Erie canal last year, the equivalent of through freight sufficient to fully freight ten thousand ships of five hundred tons burthen each. That is enough to show that the Erie canal is mistress of the situation. If we want cheaper transportation through the Erie canal, what we have got to do is to create a competition which will compel that canal to enlarge its capacity and reduce its freight. That competition cannot be had by the expenditure of money for the purpose of inducing freight to go through Lake Ontario.

I said there were three ways of getting from that lake. Still another mode is to go from Oswego down the Erie canal; but as that line would have to pass through two-thirds of the Erie canal, there would be but very little gain to the country from that. The man going into the canal at Oswego, might get ahead of the man who would go into it at Buffalo; but it would be just like the one who gets in to vote ahead of his fellows — he crowds all the others back. I think, therefore, as this body is a deliberative body, though entitled only to recommend, that we ought not to be too hasty in recommend-

ing any scheme until it is thoroughly ventilated; the character of the enterprise understood, and the means pointed out by which a benefit to the public is to be secured commensurate with the expense. I am not opposed to a canal around the Falls of Niagara, if I can see where it is to benefit us; but if it is only to take us down the St. Lawrence in order that we may come back again, or down from Oswego through the canal, or to the other end of Lake Ontario, in order that we may pay fifty per cent. more to get to the ocean than it costs to get from Buffalo to New York, I must oppose it. From the best information I can get, I do not see any advantage to be gained by it. I may be mistaken, but I want information before I vote to recommend Congress to make a ship-canal around the Falls of Niagara.

Mr. DORE: It appears to me, Sir, that the gentleman who last addressed the Board, misunderstands the object of the canal. If I understand it, only about three per cent. of the products of the country find their way to Europe or foreign countries under any circumstances, and about one-half of that amount stops in Canada. We have no great occasion, therefore, to form a connection with the St. Lawrence river, but we want to establish water communication with Ogdensburgh, with Sackett's Harbor, and with Oswego. There are more advantages than might at first appear in this connection. If I am correctly informed by navigators upon the Erie canal, grain is more or less injured by long exposure on the warm waters of the canal. This difficulty would be obviated if we could have this ship-canal, thereby giving us cold water navigation, somewhere from one hundred to one hundred and fifty miles, provided we stop at Oswego, or one hundred and eighty or two hundred miles, if we go to Ogdensburgh or Sackett's Harbor. These are the main reasons why we want this canal, in connection, of course, with a reduction of freights. I understand the gentleman (Mr. MONROE) to say, that what we should do is, to get the Erie canal to reduce its freight. I hold that that is not what we so much desire as we do to induce the Legislature of New York to abolish the tariff on the canal. If I am correctly informed, there is a tariff of about six cents for the right of way on every bushel of wheat from Buffalo to New York, on that canal.

Mr. MONROE: If I said to reduce its freight, I meant tolls.

Mr. DORE: I take it for granted he must have meant that. I suppose there is sufficient competition on that canal to take care of the freight. It is not my purpose to make any extended remarks upon this subject. It has been before Congress time and again; it has been before this Board, and I believe the public understand

the importance of it. One gentleman yesterday alluded to the able argument made by Mr. EDWARD CRANE before the Legislature of Massachusetts, touching a double track railroad connecting Boston with Sackett's Harbor. I believe a railroad from Portland to Sackett's Harbor is in contemplation for the same purpose. If these things are desirable, I would like to know if it is not desirable, and would not pay in the long run, to have a Niagara ship-canal to afford the best means possible of getting vessels with full freights from headquarters to the foot of Lake Ontario.

Mr. WETHERILL : It strikes me the objection to this project is this : if Congress should be memorialized and act upon this project, it is one involving a vast deal of money. Other projects of like character coming before this Board have been submitted to Committees, who have examined into the merits of the case, and have reported to the Board ; one such report is now upon the desks of the members. Here we have a canal proposed, of equal importance, perhaps, and of equal interest, and yet a matter of such importance and such interest has not been referred to a Committee, and we have no report upon it. We know nothing as to what it will cost, and, of course, we are acting in the dark in regard to it. I think a matter of this importance should be referred to a Committee, and I rise for the purpose of moving that this whole question be referred to a Committee of fifteen, to be appointed from the States interested in the project.

Mr. HOLTON : I supposed that this question could be separated very easily from all other questions, and be put upon its own simple merits ; and I was gratified to see what seemed to be the almost unanimous consent of the body, when the question was proposed, and hoped that the resolution would pass without the consumption of any time in discussion. We of the West — on the lakes — are possessed to-day of two thousand ships, more or less, very few of which can go down to Lake Ontario. For years and years the effort has been made to secure a canal around the Falls, in order that these vessels might have free access to an important part of our country, to large commercial ports, thus carrying us on hundreds of miles further towards the seaboard. I trust the day is not far distant when we shall possess, through amicable negotiations, our natural outlet to the sea ; but to-day we are dependent upon the State of New York. No man honors that State more than I, no man acknowledges the debt of gratitude we owe to it more than I. I am a citizen of Wisconsin to-day, because by its own energy and means it opened a water

highway to the lakes, which answered for the life of DEWITT CLINTON and twenty years longer, until 1840, when she grandly took up the line of march again, and enlarged her canal from four feet deep and forty feet wide, to seven feet deep and seventy feet wide, so that a boat's tonnage was increased from thirty to one hundred and fifty tons. I thank New York to-day for that. It was a noble act. And what was the result? It created an immense development of the Lake region and the whole West, and carried the number of vessels from five hundred up to two thousand; so that now the capacity of the Erie canal is smaller, in proportion to the amount of business, than it was in 1840. I call upon that State, after Congress shall have made this Niagara ship-canal for the outlet of these vessels, to make its canal a great ship-canal, through from Lake Ontario to the city of New York, and then to put down the tolls and make it a free river. That is what I call upon it to do. It has received the payment, not only of every dollar expended on these canals, but a surplus of more than ten millions for its coffers. And what more? It has got, as was claimed by one of its eminent citizens here, the mastery of the nation by the capital it possesses. I call upon it then, to come forward and help on this matter; let our ships down into Lake Ontario, and then take them to its great city, since we can have no commerce, and perhaps ought not to have any commerce with the neighboring country. I mean, in other words, that we shall keep our commerce among ourselves until there is a proper reciprocity.

But we go to Congress with this proposition upon precisely the same grounds on which millions of dollars have been expended upon the Chesapeake and the Delaware, and all along the seaboard. What, two thousand of our ships locked up yonder in case of war! We have demonstrated our power and matchless ability as a nation by improvising in a day a navy from the merchant service of the country, an army composed of freemen, and all the munitions of war. These facts will stand to all time, as evidence of what a free people may do to defend and protect itself. So we go to Congress with this simple question of letting our ships down into Lake Ontario, and then, if New York will not give us a way to its great city, we must go by way of Montreal; but the nation shall have the benefit of our ships. When it comes to that necessity, we will not be behind VANDERBILT, or any of the men of New York, where they so grandly illustrated their patriotism by the gift of their ships for the defence of the nation. But if the country wanted them to-day, it could not have the benefit of them on the high seas because of this natural barrier.

We then go to Congress to demand the opening of this canal around the Falls of Niagara, and we will not stop to ask the paltry question whether it will cost four, five, or six millions. The estimates range from six millions up to twelve, which is the highest. All these figures are well known, and we need not stop to make that inquiry, if my friend from Philadelphia will permit me to say so.

But there is one other question. Since all these structures are incident to commerce, and Congress has always treated them so, we ask that our ships may go to the sea, because we now lose the use of them for nearly half the year; for, say five months of the year, the ships of my friends, Captain EGAN of Chicago, and Mr. MARSH of Buffalo, must go into winter quarters. Those ships ought to be wending their way through the harbor of New York, down, perhaps, to Richmond, to Wilmington, to New Orleans, to the coast of Mexico, and to South America, loaded with the commodities of our country, to be exchanged for those of other countries; and thus the season that is now wasted in idleness, to the demoralization of our seamen, to the great loss of owners and of the country at large, be used for the enlargement of our commerce. Therefore, when we propose to go to Congress and ask that we shall be locked down into Ontario, and to the sea, I hope we shall not be required to appoint a Committee to investigate and report these details, but that the Board will allow this proposition to stand independently of everything else, and take the course which my friend, (Mr. BAGLEY,) has asked for it, namely, to receive the indorsement of this body.

Mr. BAGLEY: I did not intend to make any remarks in advocacy of this resolution; but I will say for the information of the gentlemen opposing it, that at the Commercial Convention held in Detroit, in 1865, at which six hundred delegates were present, some of whom I am happy to see before me to-day, this question was brought up. Its merits were discussed for nearly two days, by able gentlemen on both sides, and its advantages and disadvantages set forth; and a resolution was passed by nearly an unanimous vote, recommending to Congress the early commencement and speedy completion of the work. I merely bring it again before this Board to-day, and ask that another recommendation in its favor be made to Congress.

Mr. TAYLOR, of St. Paul: I desire simply to call the attention of the Board to the previous history of this question in our own councils. The gentleman from Philadelphia, (Mr. WETHERILL,) who makes the motion for reference, assumes that this question requires the consideration of a Committee. Sir, at the meeting for the organ-

ization of the Board in Philadelphia, a Committee was appointed for the consideration of the urgent questions then before the country. The Committee reported the following resolution :

Resolved, That the natural highway formed by the chain of great lakes, having upon its borders a population numbering several millions, and reaching, as it does, half across the continent, requires the attention of Congress, for reasons as strong as can be urged in favor of the building of the Pacific railroad ; and the cities and communities depending upon this natural chain of trade, call for the early removal of all obstacles to the free passage of the largest vessels from Lake Superior to Lake Ontario.

Here I will simply remind the Board, that by the action of the National Government, a ship-canal of the largest dimensions has been constructed and is in operation, connecting Lake Superior and the lower Lakes ; also, an artificial channel through the St. Clair shallows, connecting Lake Huron with Lake Erie. Therefore a Niagara ship-canal is the only work remaining to be done to secure a full compliance with the terms of that resolution.

That resolution was referred to the first regular meeting of the Board at Cincinnati. On that occasion, at the instance of a gentleman from Oswego, I called it up, and it was discussed. My proposition then was to refer it to the special Committee on the water-line between the Ohio and Chesapeake bay, but the Board preferred to refer it to the Executive Council. The Council have given this matter their consideration, and it is upon their instance, after repeated deliberation upon it, in all its forms, that it is now before us.

I make this explanation in answer to the gentleman from Pennsylvania, (Mr. WETHERILL,) and in order that the action of this Board, upon this important subject, may be familiar to all present.

Mr. WETHERILL : I had not the honor of being a member of the Philadelphia Convention, so that I do not know what the proceedings were ; but I happened to be upon the Committee of Arrangements, and I will venture to assert here, and I don't think any gentleman can deny it, that the delegates convened to organize the National Board were so well taken care of by the Committee of Arrangements, that it is to be doubted whether they had time to consider any important subject. What time that Committee could have had to prepare a report upon such an important matter as this, I, as a member of the Committee of Arrangements, am at a loss to determine.

But, Sir, we have another water-line under consideration; a water-line of equal importance, a water-line which I believe, going through the country that it does, intersects as large a portion of the community as that around Niagara Falls. And, Sir, at Cincinnati, the Board saw the importance of that water-line, they raised a Committee of fifteen, and upon our desks we have a report, stating every particular in regard to it, what it will cost, what benefits are to be derived from it, how it will cheapen transportation—going into the matter from beginning to end, so that any man who runs may read.

I am surprised at the position of the gentleman from Milwaukee on this question. I have always considered him an economical member of this body, the watch-dog, perhaps, of the treasury. His own section is interested in this project, and he may know all the facts, but he does not speak, I am sure, for those not of his section. I and others are not so well informed as he is upon the merits of this question, but we desire to look into it. If we can have a Committee, and if they shall report favorably upon the proposition, and if I and others come to the same conclusion in regard to the merits of this enterprise, with the gentleman from Milwaukee, it will have our hearty assent; but he cannot ask me and others to assent to a thing which we know nothing about. I therefore press my motion, that this important matter be referred to a Committee.

Mr. HOLTON: I rise to make an explanation. I do not know that I made myself distinctly understood. I have not the reports before me, but I assume it as a fact, that Congress has had a number of reports on this subject. One, I feel assured, has been made by the War Department, if I mistake not. I cannot pretend to precision, but I stand criticised by my friend from Philadelphia, if I am incorrect in the assertion that the cost of this work has not already been a subject of Governmental investigation. I assume that that information is patent to the country. We are bound to know it. Perhaps some gentleman here has the facts in detail. I believe the highest estimate is twelve million dollars, and the lowest six million dollars, according to the plan of construction which may be adopted.

Mr. MONROE: I should like to have information as to the character of this ship-canal. The proposition is very indefinite. I should like to know the cost and nature of the locks, the probable gain or loss, and advantages or disadvantages of having such a line. If the demand for the products of the West, in the country that borders on or is near to Lake Ontario, is sufficient to justify this

expenditure — which certainly would be large, if vessels are to pass from one lake to the other — I want to know it ; and I should like to have information as to all these matters before I vote. They are matters that can be reduced to facts and figures. I should like to know the amount of tonnage that would be required ; for one of the gentlemen who spoke, repudiated the idea of going down to the mouth of the St. Lawrence. I think that is well, for it is utterly impracticable as a great highway of commerce from America to Europe. He speaks of ships going from Lake Erie to the Atlantic. I would like to know how, unless they go down the St. Lawrence river. If the Erie canal is to be made a ship-canal for that purpose, it can be made so as well without the canal around the Falls as with it. All these facts I want to know, and when they come in, I am prepared, upon a showing of the advantages, to vote for the resolution. I am ready to vote heartily for any recommendation which I understand, but I do not like to vote until I do understand the subject. If gentlemen have information enough to state the facts in regard to this proposed enterprise, I should be glad to have them do so, that we may act upon it at this session, and I am prepared to vote for it, upon a showing which meets my approbation. I have no prejudice against this project, no hostility to it, but I do not see the advantages. The friends of the measure have not furnished us with information enough. They may have knowledge upon the subject, but they have not given it to us.

Mr. TREZEVANT : I am very much disposed to facilitate, by my vote, anything that will develop the leading interests of the country, whether North or South. I am a Southern man, it is true ; a sort of middle-man, but in this Board, we know neither North nor South, East nor West ; we are for the good of all sections.

It is within the recollection of many of those around me, that fifty years ago, this lake country was but a wilderness. To-day, the destinies of this nation are in the hands of the people who live west of the Alleghany mountains. The population and wealth of the country, which make power in all communities, are now in that region which lies between the lakes of the North and the sunny gulf of the South. It is not for us, whether we live at the North or at the South, at the East or at the West, to say that any measure is impolitic or unjust, because we cannot have something of the same kind where we live ; and I do not know, Sir, but in this day of trade, (or commerce, if that word be more appropriate ; I would rather call it trade,) I am in favor of making a trade with my Northern friends,

because I expect to ask their help presently. I am for making friends with the Northern men in regard to material interests and socially.

Mr. WETHERILL : Well, then, ask for railroad iron, but do not ask for the removal of the duty on it.

Mr. TREZEVANT : When I come to discuss that question, I will answer the gentleman. This is not the occasion nor the hour. I profess not to be a sectional man. When the gentlemen from the lakes tell me of the grandeur of that country, I know it; I read it every day, and glory in it; and I say, to-day, that if I were to remove from my own home, I do not know any other portion of the country to which I would go sooner than to Minnesota. But this question is one of magnitude. It involves no question of constitutionality or of State sovereignty, but it does ask the Government, in thunder tones, to help the people on the lakes to liberate the commerce that is blocked up three or four months of the year; it does appeal to the General Government to do that which the people feel themselves unable to do, individually or as States. Here is a magnificent commerce, increasing every year and every month in its importance, and it says to the nation, "Give us an outlet to the Atlantic seaboard;" and I say give them an outlet. What matter a few millions of dollars, — ten millions, or twenty millions, — when we consider the millions of people up there, and the multiplying millions of wealth of this great and glorious country?

I rose to say simply that I should advocate this measure, and vote for it. And I shall vote for it for another reason, and that a selfish one. I intend to ask you, gentlemen, at the proper time, to come to the help of the Old Dominion. I am here, in this old State, — God bless her! — the mother of the men whose statues adorn these Capitol grounds. I can say nothing too reverential in regard to her, and I intend, at the proper time, to ask you to help her, in the same liberal spirit with which I say we are disposed to help you in your great works. I will say, "come and help us to build up the South, as we help you to build up the North, and multiply the blessings and the wealth that you enjoy."

Mr. OPDYKE : I desire to state the reasons which constrain me to support the proposition now before the Board. In the first place, the question has been before the Chamber of Commerce of New York, which I have the honor in part to represent in this body; it was maturely considered there, and with great unanimity, a proposition to recommend to Congress the construction of this canal was

adopted. In arriving at that conclusion, I think the Chamber was governed by a broad, catholic spirit, which looked to the interests of the commerce of our whole country. There was a feeling there that possibly, if this canal were constructed, it might lead vessels passing through it not to unload until they reached foreign ports through the mouth of the St. Lawrence river; but inasmuch as it would prove a great boon to the commerce to and from the West and Northwest, the Chamber, as I said, in a catholic spirit, with great unanimity supported it.

Let me distinguish between this proposition and others which relate purely to artificial water-ways. I think this to be, as the gentleman from St. Paul has so clearly defined it, simply the discharge of a duty expressly enjoined upon Congress to improve the natural water-ways of the country. I have always supported and always expect to support, liberal appropriations for the improvement of navigable streams, and of the harbors throughout the whole country. I hold this proposition to be of that character precisely. Here is a great water-way, extending for a thousand miles, more or less, obstructed by the Niagara Falls. That obstruction, I think, should be obviated by Congress, by the construction of a ship-canal. Gentlemen have enquired what kind of a ship-canal this is to be. That is a question for Congress to decide. What is needful is a canal that will admit the passage of any vessels navigated on the lakes. It is for Congress to say how large the locks shall be, and how much it shall cost. The question is, will it be worth the cost? I think there can be very little doubt, among the members of this Board, that, to the country at large, it will be a boon worth ten times its cost; and for that reason I support it.

Now, Sir, if the city or the State of New York, which is a commercial State more than any other in the Union, should find that a portion of the trade of the West was likely to be diverted by the way of the St. Lawrence, thus taking it from our city, it would be for us to consider whether we could not by some plan — by the construction of a ship-canal to the waters of the Hudson, or by any other method which might seem best, bring this trade back. That would be a local question for us to decide. What we all want to do by means of this canal, is to stimulate the commerce of the country generally.

Mr. HAWLEY: I trust that after what we have heard it will not be necessary to prolong this discussion. I believe that Mr. HOLTON was nearly right as regards the estimates of the cost of this work. I am credibly informed by my brother delegate, that the estimates by competent engineers have varied from eight to twelve

millions of dollars. I am particularly gratified at being reminded by the last gentleman up, that New York has with unanimity gone for this great improvement, which is regarded as national in its character; notwithstanding it is obvious that a part of the commerce which will go through the waters of the canal, if it shall be built, will undoubtedly reach the ocean through the St. Lawrence outlet. It is foreseen that a part of this commerce will go directly to distant ports. New York sees it, and yet, disinterestedly recognizing the wants, the necessities, and the interests of the country that is more immediately interested in this matter, it has, when the question has been duly before its Chamber, recommended it with unanimity.

I trust, Mr. President, that this subject will not be referred to a Committee. I believe that the members of this Board are sufficiently acquainted with its merits. I trust that we shall approve of this resolution, calling the attention of Congress to the necessity for this canal. As has been already remarked, the Welland canal is entirely insufficient. It will admit only small vessels of a capacity of about twenty thousand bushels, while some of our vessels carry fifty thousand. We want a larger canal. A gentleman, in conversation, says, "After a while, perhaps in ten years, Canada will become a part of the United States." For one, I believe that the interest of Canada lies in seeking and finding an union with us, which may, or may not come so soon. I trust it will come, and come peacefully, and by the desire of its people. I do not want it, except in that way. But were Canada now a part of this Union, we should still have to make over again the Welland canal, or construct the very work we now ask for; and it may be, that to reconstruct that canal so as to meet the wants of the West, would cost as much as to construct a canal around the Falls of Niagara.

I trust, then, Mr. President, that this proposition will not be referred to a Committee, but that we shall come to a vote directly upon it, and that it will be acted upon favorably.

Mr. EGAN: I do not know that I have anything to add in the way of argument; but in regard to the capacity of the Welland canal I may be permitted to say a word. With two exceptions, of all classes of vessels on the lakes, the largest which can pass the canal carries only eighteen thousand bushels of wheat. The length of the locks is one hundred and forty-two feet, the width twenty-six feet four inches, and the depth of water allowed by the government of the canal is ten feet; while in passing from Chicago to any port on Lake Michigan a vessel may draw safely fourteen feet of water. We have vessels which can carry a much larger cargo than eighteen thousand

bushels; I know of some that carry forty thousand. The larger vessels are manned at precisely the same expense as the smaller ones, the cost of transportation being reduced in proportion to the size of the vessel.

I will also say, in answer to the gentleman's remark about the cost of transportation, that for two months, during the past season of navigation — because navigation is now over with us on the lakes, or nearly so, — there were about five hundred thousand bushels of wheat shipped to Canadian ports. The question may be asked, Why was that? It was because the high tolls on the Erie canal, and the other expenses attending the handling of the property, induced it to pass entirely through Canada. It was all destined for Great Britain. Of some thirty cargoes of wheat shipped, three only were consigned to an American port. The profit arising from all that, passed into foreign hands. Because of the high tolls upon the Erie canal, this grain had to go to Canada; it was there transshipped to barges, and then taken down the St. Lawrence river to Montreal, where it went directly on board ships for Liverpool and London. A gentleman directly interested in the shipment, informed me that under other circumstances, the cost of transportation being equal, it would have gone by water to New York.

I simply mention this fact to show you that the improvement asked for by the agricultural districts of the West should be recommended by this Board.

Mr. DUPEE : I beg pardon of the house for detaining it a single moment to make an allusion to a point which has not been touched upon in connection with the subject before us.

I wish to say, as preliminary, however, that the Boston Board of Trade has been nearly an unit in reference to this matter of a canal around the Falls of Niagara. My impression is, that it has once voted unanimously for a recommendation to Congress similar to that now before us. I shall not, therefore, in my remarks, represent that Board, and probably only to a limited extent my respected colleagues. The point to which I would speak is this, — the relations of the United States to the Dominion of Canada. Six weeks ago I should have advocated the passage of this resolution. No one here recognizes more fully than I do the necessity for more ample facilities for the commerce of our great Mediterranean of the North. But within a very recent period you, Sir, and every member of this Board, must have seen that the exterior relations of the Dominion of Canada are soon to be materially changed. The petitions which are now circulating in British Columbia, the uneasiness among the settlers on the

Red river of the North, and the very great and important movement in progress in that part of the Dominion which we used to call Lower Canada, with reference to independence, — all these call our attention earnestly to the new relations which I am sure the Canadas are to sustain to the Government of the United States. I think I may say, almost semi-officially, that the party of progress in Lower Canada, in the province of Quebec, as it is now termed, has it in mind most decidedly that the moment independence shall have been obtained, overtures shall be made to our Government for the purpose of widening the Welland canal, thereby solving the very problem upon which we are now engaged.

Is there any prospect of the immediate independence of the Canadas? It is not for us to predict, perhaps, with certainty, but this is an age of progress, as has been so often and so eloquently said. The party of progress in Canada is composed of some of her ablest statesmen, seconded, I think, by all the mercantile interest. I am aware that it may be said, that when a distinguished gentleman of Canada made a speech in Parliament — I think in February or March last — in favor of independence, there were hisses all over the house; but let me say that when that gentleman retired from the house, the very men who had hissed, (as is so often the case, I am sorry to say, with politicians,) crowded around him and thanked him personally for the words which he had spoken in behalf of the independence of Canada. I should not be sanguine of immediate success, were it not patent from the organs of the British Government, and from the voices of British statesmen themselves, uttered in the British Parliament, that the independence of Canada is looked for with delight by the Government of Great Britain. The expenses of carrying on the Provincial Government are more than the receipts. But I must not argue that point.

What I wish to say is this: let us pause in this matter; let it remain in abeyance. Congress is already informed of the wishes of the North and of the West. We can add no light upon the question; it has everything before it; and pending the discussion there which must soon take place with reference to reciprocity with the Dominion of Canada, I hope, most sincerely, that this Board will allow this resolution to lie upon the table.

Mr. DORE: I wish to say, in reply to what the gentleman has said, that we do not wish to pause upon any supposition that Canada is to become a part of the United States, because, if she were a part of this country to-day, it would make no difference in the necessity which exists for this canal. In the first place, the Welland canal

has not half the capacity required; and in the second place, it is twice as long as the route contemplated.

Mr. TAYLOR, of St. Paul: The topic introduced by Mr. DUPEE of Boston, is one which, in my judgment, is extremely pertinent to this discussion. I have been aware for some time that the Dominion of Canada would at any moment, in exchange for the right to sell her productions, both natural and manufactured, in the United States, not only admit all the productions, natural and manufactured, of the United States, but also assume all the expense necessary to enlarge the Welland and St. Lawrence canals to the dimensions of the Superior canal, and thus secure the passage of vessels of a thousand and twelve hundred tons, from the Atlantic to the western extremity of Lake Superior. It is my deliberate opinion, that if a Zollverein or commercial union could be consummated between the adjacent British dominions and the United States, for the admission of all Canadian productions at an average duty of five per cent., Canada would pay all that is required to enlarge her canals to the dimensions which we desire for the Niagara ship-canal. But, sir, I do not anticipate that such an arrangement is immediately practicable.

Then in regard to the annexation of Canada. In the year 1866, it became my duty, at the request of the Secretary of the Treasury, to prepare a response to a resolution of the House of Representatives, upon the commercial relations between Canada and the United States; and although it was an impertinence, although I cannot defend it, yet I was so strongly impressed with views similar to those of the gentleman from Boston, that I ventured to suggest, as a supplement to that communication, that the only solution of the relations, commercial and otherwise, between the people residing upon the opposite borders of the northern lakes and rivers, was an union of the United States and Canada. Not the *annexation* of Canada to the United States, — the term is offensive, — but such a free and voluntary union between these people of the Northland of the continent and ourselves, as we entered into with the Republic of Texas, or as was effected in 1787 between the Independent Colonies which now compose the United States. Sir, the proposition which I submitted indicated what should be the terms of such an alliance; and I was gratified by the fact that the chairman of the Committee upon Foreign Relations of the House of Representatives, the Hon. N. P. BANKS, made the proposition his own, and submitted it to the House. But, Sir, upon consultation with the Secretary of State, and with members of both branches of Congress, it was thought inexpedient to press the measure upon the attention of

the country, because the Provinces of Canada received it with demonstrations of prejudice and hostility.

But the gentleman from Boston refers to later movements; to the present position of public opinion in Canada; to the condition of things in the territory north of my own State, Minnesota. It is a fact, that what is known as the Red River settlement, a civilized community older than Minnesota, founded in 1812, a very intelligent and moral people, fifteen thousand in number, whom in 1859 I found possessed of churches and schools, and a social and political order equal, if not superior to that of any people I ever saw, — I say, that community of the far North is apparently now in arms, to assert its own right to self-government. The Governor sent from Canada under the Act of Parliament annexing that country to Canada, the Hon. WILLIAM McDOUGAL, was met at the border of the territory by an armed force, was escorted courteously across the frontier, and now, in the midst of winter, is encamped under canvas on American territory, because the people whom he was sent to govern will not allow him to cross the boundary.

These people have not only taken this step of resisting a British Act of Parliament and driving from the territory the man sent to govern them in the name of Canada, but they have declared martial law, taken possession of Fort Garry, established a Provisional Government, and declared their purpose to resist annexation to Canada. British Columbia, also, whose people, with those of Cooper Island, consist largely of emigrants from the north of Europe, has announced her hostility to all schemes of annexation to Canada, unless she can have granted to her the construction of a railroad through British territory to Lake Superior. Upon these terms, they are for confederation; without them, they resist confederation; and thus half of this continent beyond the great lakes is in an attitude of resistance to the idea of confederation, and, in my judgment, they hold a position the very next door to a formal application for annexation to the United States. I do not know that these differences may not be settled by diplomacy; I do not know that Governor McDOUGAL may not have it in his power to make such concessions and give such assurances as will satisfy these people. I merely present the facts for your consideration, and because the subject has been brought to my mind by the remarks of the gentleman from Boston. Sir, I feel confident, that upon the basis indicated in the proposition of Mr. BANKS, now pending in the House of Representatives, (the original proposition presented in 1866,) or some other equally honorable basis, the annexation of Canada to the United States cannot be far distant.

One word in regard to the bearing of these facts, which may, perhaps, be as well mentioned in this connection as at any other time. If annexation follows in the future, the question of overcoming the obstruction presented by the Falls of Niagara will still remain for consideration, and it will be for Congress to determine upon which division of the American territory, the northern or the southern, this canal shall be constructed. If Canada were a part of the United States to-day, we might call upon Mr. EGAN, of Chicago, for his opinion as to whether, with the present capacity of the Welland canal, it might not be more expedient to enlarge it, as an American work, for the purpose of overcoming this obstruction. If, however, circumstances should occur to postpone annexation, the American Government, under the impulse, perhaps, of this Board, will be shut up to the consideration of the means of overcoming this obstruction upon our present territory. In either event, the resolution of the gentleman from Detroit is pertinent. In any event, the expression which he now asks from us would have its full effect upon Congress as now constituted, or upon a Congress containing Senators and Representatives from these new States of the North. I cannot think, therefore, that the consideration of the present or future of our political relations with these communities can have any other effect than to fortify the arguments which gentlemen have already presented.

Mr. WALBRIDGE: I rise simply to answer an enquiry made by the gentleman from Milwaukie, (Mr. HOLTON.)

As early as 1822, the War Department organized a Commission to report upon the propriety of the construction of a Niagara ship-canal. The report was favorable, and there has been frequent action on the part of the Government since that time. At the Detroit Convention, composed of six hundred and forty delegates, the first commercial Convention held after the rebellion, this resolution was passed, by a nearly unanimous vote:

Resolved, That this Convention regards the construction of a ship-canal around the Falls of Niagara as a national work of great commercial importance, alike demanded by the interests of commerce and political wisdom, and that its early completion by the General Government is required by every consideration of sound political economy.

The question was then put on the motion of Mr. WETHERILL, that the proposition be referred to a Committee, and it was lost.

The previous question was ordered, and the vote was taken on the adoption of the resolution, by a call of the Yeas and Nays, with the following result:—

Yeas : Messrs. —

Adams,	Cullen,	Herbert,	Opdyke,
Bagley,	Dawson,	Holton,	Parr,
Barry,	Dore,	How,	Richards,
Baskerville,	Egan,	Hughes,	Ropes,
Brigham,	Fraley,	Keenan,	Stranahan,
Brown,	Groner,	Libby,	Taylor, (J. W.)
Campbell,	Hall,	Masters,	Thompson,
Carrington,	Harrison,	McCrea,	Trezevant,
Chittenden,	Hastie,	Morrison,	Venables,
Coleman,	Hawley,	Oakley,	Walbridge—41.
Crenshaw,			

Nays: Messrs.—

Bowdlear,	Hooper,	Mingle,	Stokes,
Bremer,	Jeffries,	Monroe,	Swift,
Dupee,	Jones,	Plumer,	Taylor, (S. L.)
Gano,	Kirkland,	Sampson,	Torrence,
Grubb,	Loney,	Sawyer,	Wessel,
Hazard,	Marsh,	Seemuller,	Wetherill—24.

The President declared the resolution lost, the requisite two-thirds not having voted in its favor.

Mr. GANO : I desire the privilege of explaining my vote ; I am in favor of increasing all these facilities for water communication, but I want information in regard to several points connected with this subject, and therefore I preferred the motion for its reference to a Committee. I did not vote against it because I was opposed to it *per se*.

Mr. KIRKLAND : I, too, desire to say a word of explanation. I yield to no gentleman on this floor in regard to the importance of this work, and it was not that I did not appreciate its importance to the country contiguous to the proposed canal, that I voted no ; but our Board, after discussing this matter, considered that the State of New York, powerful as she is, has ample means to do the work herself, without calling upon the General Government. We did not think the General Government should be called upon, on all occasions, to do what the people are able to do themselves. We thought if New York has not the power to do it, we would cheerfully acquiesce in an

appropriation by Congress for the purpose. I have been informed, since my vote, that there is an opposition in that State to this work, which has prevented the passage of a law by the Legislature authorizing the construction of the canal. I can readily understand, from what we sometimes see in our own State in reference to laws which the interior sections may regard as building up the city at the expense of the State, how difficult it is to get legislation in favor of a work deemed essential to the prosperity of the State. If that is the case, as I am bound to believe it is, that, owing to the jealousy of other sections of the State, a law for the construction of this canal cannot be passed, and considering as I do, that it is a work of great importance to the Northwest and to the entire country, I ask the privilege of changing my vote to aye.

The PRESIDENT : That can only be done by a motion to reconsider.

Mr. KIRKLAND : Well, Sir, I move to reconsider.

Carried.

The PRESIDENT : The Clerk will call the roll.

The result was as follows : —

Yeas : Messrs. —

Adams,	Cullen,	Holton,	Opdyke,
Bagley,	Dawson,	How,	Parr,
Barry,	Dore,	Hughes	Richards,
Baskerville,	Egan,	Keenan,	Ropes,
Brigham,	Fraley,	Kirkland,	Seemuller,
Brown,	Groner,	Libby,	Stranahan,
Campbell,	Hall,	Loney,	Taylor, (J. W.)
Carrington,	Harrison,	Masters,	Thompson,
Chittenden,	Hastie,	McCrea,	Trezevant,
Coleman,	Hawley,	Morrison,	Venables,
Crenshaw,	Herbert,	Oakley,	Walbridge—44.

Nays : Messrs. —

Bowdlear,	Hazard,	Monroe,	Swift,
Bremer,	Hooper,	Plumer,	Taylor, (S. L.)
Cook,	Jeffries,	Sampson,	Torrence,
Dupee,	Jones,	Sawyer,	Wessel,
Gano,	Marsh,	Stokes,	Wetherill—22.
Grubb,	Mingle,		

So the resolution passed.

Mr. ROPES in giving his vote said :

I wish to say, that I do not understand the resolution as carrying with it an appropriation from Congress.

Mr. HAZARD : Allow me to explain my vote. While I am in favor of great water-lines of communication, I cannot see that this project is to cheapen transportation. I believe it is an attempt to get money out of Congress, which the country cannot at this particular time spare ; therefore, while I have no sectional feeling about it, I must say *no*.

Mr. RICHARDS : I rise for information simply. The proposition number seventeen was postponed until this morning. When will it be in order ?

The PRESIDENT : It is now in order if any gentleman moves to take it up.

Mr. RICHARDS : I will make that motion, and I will state that I do so, not for the purpose of advocating the subject as it now stands, but for the purpose of offering a substitute for it.

Carried.

Mr. RICHARDS : I do not propose, Mr. President, to enter into any argument at all, in relation to this matter, as we have already canvassed the question thoroughly which I propose to present. I am not in favor of the passage of this proposition as it now stands ; but I offer as a substitute for it, the resolution which I submitted yesterday, and which was then declared to be out of order :

Resolved, That Congress be requested to fix at once, the rate to be charged for the transportation of passengers and freight on each railroad in the United States ; the rate to be based upon a reasonable income upon the money actually invested in each.

It has not been my purpose, Mr. President, to use unnecessary words in debating any question which I may have had to present to this body ; as I have before said, this subject has been thoroughly canvassed, and I will only say, that I would not have this regarded as an attack upon the railroad interests of the United States. I believe that this proposition should have the approval of every honestly managed railroad company in this country, and I know that it has the approval of a large number of them. Not more than two weeks ago, I had a conversation with a gentleman who is the representative of what is considered the Boston interest in all the railroads in the Western country, and he agreed with me entirely in my theory, that

railroads are not private property, for the reason that they have a franchise from the people; that they have the right to take from you and me or anybody else, by force, the property which we own, at a valuation not to be fixed by us, but to be fixed by the public. He furthermore agreed with me, that it was not only right, but that his interest was in favor of Congress exercising just exactly the authority here indicated. As is known to most of you, a great many of the railroads of this country, or some of them, at all events, have a nominal capital of three or four times their actual cost, and the business of the country is levied upon to pay income on that fictitious capital. That is not only a damage to the railroads of the country, but a great moral wrong. It is a damage to the railroads which are honestly managed, for such railroads do not desire that those which are managed dishonestly should profit by that dishonesty; and furthermore, the railroads of this country are all connected together in business, and if one of them is operated upon a fictitious capital, it is to the great disadvantage of those which are operated upon honest capital; therefore, I wish to say that I do not regard this as an attack upon honestly managed railroads, for I know that some of them, and I believe that most of them are in favor of a proposition of this kind.

Mr. HASTIE: This matter was very fully discussed yesterday. It is a well-known fact, that the railroads of this country are not owned at the West. The stock is mostly owned on the seaboard. I think it hard that these gentlemen who are now using the railroads which have been built by the capital of the seaboard, should come forward at this moment and desire to regulate the tariff rates. In my city, we have invested largely in Tennessee railroads, and we are compelled to have a through rate of freight, in order to bring the business from that section of the country. As I stated yesterday, we bring cotton from Memphis and Vicksburg, and have a through line to Louisiana. I do not conceive that this is a proper matter for the discussion of this Board. I cannot conceive what right we have to dictate to a corporation how it shall conduct its business, and therefore I renew the motion which I made yesterday, that this resolution lie upon the table.

The motion to lie on the table was carried.

The PRESIDENT: The next proposition in order is the twentieth.

XX. — JAMES RIVER AND KANAWHA CANAL.

A continuous water-line of transportation, through the State of Virginia, between the Mississippi river and the Atlantic ocean.

Mr. GANO : In behalf of the Committee to whom that subject was referred, I will say, that it is desired that it may be made the special order for to-morrow, at eleven o'clock. I consequently make a motion to that effect.

Carried.

Mr. HOW : Mr. T. P. BRANCH, of Augusta, Ga., presents his certificate to the Committee on Credentials, as a delegate from the Board of Trade of that city. The Committee recommend that for the present he be allowed the same privileges accorded to the gentleman from Minneapolis this morning. The credentials from his Board are not yet complete. The charter will probably be here before we adjourn, and the matter will be brought up again, probably recommending the admission of the Board to membership.

Carried.

XXI. — NORTHERN PACIFIC RAILROAD.

The St. Paul Chamber of Commerce presents as a proper subject, the Northern Pacific railroad, and the importance of its early completion as a thoroughfare across the continent.

Mr. TAYLOR, of St. Paul : I was a member, Mr. President, of the Special Committee upon a Water-line from the Mississippi to Chesapeake bay, the report upon which has just been laid over. I was constrained to withhold my assent from that report, largely influenced by the views which I presented yesterday in the discussion upon another proposition. It is probable that my views upon public policy, in regard to the extension of our Pacific railroad system, will be modified by the discussion which is to take place to-morrow on the subject of a canal communication between the Mississippi valley and Chesapeake bay ; and therefore I hope I am not asking too much if I move that the further consideration of this proposition be postponed until after the discussion of the questions involved in the twentieth proposition. I desire that the two shall in some degree be before us in the same connection.

Carried.

Mr. HOLTON : I ask leave to introduce a resolution, and request its reference to the Executive Council. I hold in my hand a communication from Dr. LAPHAM, of my city, a man eminent in science, which I will not read, but I will say briefly that it relates to scientific investigations touching the late storm on the lakes, which destroyed in twenty-four hours from a million to two millions of property and

many lives. This learned gentleman claims that it is within the scope of science to communicate to ship-masters and navigators a knowledge of the approach of storms, hours before they reach a certain point. His communication embraces a resolution, which I will read :

Resolved, That it is expedient to inaugurate in the United States a system of meteorological observations by communicating telegraphic information of the occurrence of destructive storms and winds, thus preventing much of the present loss of life and property upon the ocean and lakes.

I move a reference of the resolution and the papers connected with it to the Executive Council, for their consideration.

Carried.

The Board took a recess of ten minutes.

On reassembling, Mr. CARRINGTON said that the citizens of Richmond had provided an entertainment at the Exchange Hotel, for this evening, in compliment to the members of the National Board of Trade, and the ladies accompanying them ; and the invitation was accepted.

XXII. — NATIONAL BANK NOTE CIRCULATION.

Resolved, That we affirm our confidence in the general principles of the national banking law ; but, believing that the currency is too limited and too unelastic to suit the necessities of our large and increasing trade, we recommend to Congress an early repeal of the twenty-second section of the national banking law of 1864, which limits the circulation of national bank notes to three hundred millions of dollars.

Mr. LONEY : *Mr. President*— Before the late war the people of the several States of this Union had the privilege of establishing such banking institutions as they deemed necessary for the transaction of their business. In most of the States there were free banking laws, under which issues of paper money were allowed upon the deposit of certain State or Government bonds, as security for the redemption of their notes, with a view to protect the people from loss. During the late war the United States Government found it to its advantage to enact a similar law, called the national banking law, and in order that the success of this might be ensured, a law was passed taxing the

State bank notes out of existence. Under the free banking laws of the States there was no limit to the circulation allowed except that created by the law of supply and demand. Under the national banking law we find the limit of circulation at three hundred millions. It is here proposed to repeal the twenty-second section of the national banking law, which establishes this limit.

Under the State bank laws the banks were required to redeem their notes in coin. There were no legal restrictions in reference to reserves, but every well-managed bank kept such reserves as prudence required, and specie payments continued uninterruptedly, with the exception of a few periods when great and sudden stringency in the money market rendered it necessary for them to suspend more for the benefit of the mercantile community than from their inability to pay. At each of these periods a little time was all that was required to get things straight, and a resumption of specie payments took place by the natural process of the bank note rising in value to the gold coin. Under the State bank system there was great elasticity; it worked well and to the satisfaction of the community. During the past four or five months there has been a stringent money market, and to all appearances there is no prospect of relief. Currency is needed to supply the legitimate wants of the people. The great body of the people are crying out for more currency. The wants of the country demand it. Every branch of industry is depressed. Every product of the soil, which is by far the largest and most important interest in the country, is staggering and bending under the pressure for money. Is it not a remarkable thing to see an irredeemable paper currency worth ten to fifteen per cent. per annum interest? This is an evil, and ought to be avoided. If the people want more currency let them have it. What good comes from limiting the issue of national bank notes so long as Government bonds are deposited guaranteeing their redemption? They must be redeemed in legal tender, whether greenbacks or coin, and when the Government is prepared to redeem its notes in coin the national banks will be both willing and able to do the same. Throw open the door to all who desire to establish national banks, and relieve the people from the money pressure and stimulate industry and production. There are large portions of the country which were highly prosperous before the late war and had large banking facilities, which are now destitute of the ordinary facilities for depositing their money in a bank. I hope, Mr. President, that this Board will sanction this proposition, and that the local Boards will use their influence to have the twenty-second section of the national banking laws repealed.

Mr. ROPES : This subject is a very interesting and important one and I think we shall all agree that it can only be properly discussed in connection with the one which follows, introduced by the Boston Board of Trade. I therefore move that these two subjects be discussed together.

Carried.

Mr. LONEY : I should like to know what effect the recent vote blending the two propositions together has upon the resolution offered by the Baltimore Board of Trade.

The PRESIDENT : I understand that it opens the whole question of the currency. Your proposition is before the Board, and the proposition in regard to the resumption of specie payments is also before the Board.

Mr. LONEY : I think the subjects are entirely distinct.

The PRESIDENT : The house has ordered that they shall be discussed together. It is not for me to question the wisdom of that decision.

Mr. TAYLOR, of St. Paul : I come here under instructions : and although I do not desire to discuss this question at this time, I greatly desire that gentlemen who have given special attention to it shall address themselves if they are so disposed, to the particular proposition of the St. Paul Board of Trade. Therefore, without detaining the body, I desire to read the action of the constituent body which I represent here. I may add, that what I propose now to present was deliberately adopted, after full consideration by the Board, at a public meeting of the citizens of St. Paul, very numerously attended by bankers and business men. Therefore, I think I am warranted in saying that these brief suggestions are an expression of the public opinion of that city, more satisfactory than any words of my own. It is in the form of a memorial to Congress, adopted by this meeting of citizens, and afterwards specifically adopted by the Board of Trade as their instructions to their delegates here.

To the President and Congress of the United States :

The St. Paul Chamber of Commerce would respectfully represent that this country is suffering from the evils of an irredeemable currency ; that more than half the amount in circulation consists of United States notes, payable on demand ; that the obligation to meet these notes in gold and silver was, if possible, increased by the act making them legal-tender ; that, in the judgment of this Chamber,

prompt measures to restore the gold standard in all transactions of the General Government are practicable, and can be so framed as to relieve the commerce and industry of the country from a financial crisis.

Your memorialists therefore ask :

1. That the Government provide at the earliest practicable moment for the payment by the Treasury, of the United States notes in specie or its equivalent.

2. That in addition to coin in his possession, the Secretary of the Treasury be authorized and required to support specie payments by the sale or hypothecation of a special gold loan, payable with interest, at four per cent, in fifty years, the proceeds of which shall be exclusively pledged and applied to the redemption of United States notes.

3. That provisions be made for the reissue of fifty million dollars of greenbacks in exchange for that amount of bonds of the United States.

4. That the circulation of all bank notes less than ten dollars be withdrawn and prohibited.

5. That simultaneously with the resumption by the Treasury of the United States, the national banks should be required to pay their notes in specie or United States notes.

6. That subject to the foregoing and such other conditions as Congress may prescribe, the national bank system should be free.

Mr. ROPES : I do not know whether I should be quite in order in discussing this question without first introducing the resolutions of the Boston Board of Trade. I will read them for information, and present them at the proper time :

Resolved, That this Board earnestly recommends to Congress the immediate passage of a funding bill, by means of which legal-tender notes may be gradually withdrawn from circulation, and ultimately redeemed at par in coin, at the same time making provision for the increase of national banking capital in those sections of the country where it is now so greatly needed.

Resolved, That all increase of national bank circulation should be accompanied by a corresponding decrease of legal-tender notes, and by increased preparation on the part of the banks for the resumption of specie payments.

These resolutions indicate the general course of measures which I propose to advocate, and as this subject is an exceedingly complicated one in its application, though very simple in its original principles, and as it is so liable to misstatement and misconception, I shall take the liberty to begin at the fundamental point, stating, merely, those things which I conceive myself, and most others who study the subject, able to prove, and to prove irrefutably. I do not propose to prove them now, but, as I have said, simply to state them.

I understand that money stands in substantially the same relation to other commodities that weights and measures do. It has no value by itself, but only in connection with other commodities. Its sole uses may be thus defined: to measure values—that is, the value of other commodities; to represent and embody values; and to exchange values. I believe that these three comprise all the uses that we are able to make of money; and that which does this must necessarily possess value itself. It cannot measure what it does not possess; it cannot represent and embody what it does not possess itself; it cannot serve to exchange what it is not in itself.

What, then, is paper money? It is a certificate of transfer of real money, existing somewhere else. For instance, if I take a thousand dollars in gold to a bank, and receive for it a note for a thousand dollars, that is simply a certificate of transfer, by which the bank binds itself to pay over that thousand dollars in coin to whoever presents the note. It is the same thing if the bank passes it to my credit on its books. I draw a check, and that check is honored by the payment of a thousand dollars in coin. That sufficiently illustrates my meaning.

I will add what I said last year without dilating upon it, that every well-governed country possesses, and every country has a right to, a sound, regular, and steady standard of value, and that it is one of the greatest wrongs which can be done to any country to deprive it of such a standard. If you deprive it of weights, it still has measures; if you deprive it of measures, it still has weights; but if you deprive it of the standard of value, you deprive it of that which enters into every transaction throughout the land, and which is far more general and universal in its application than any other standard.

In the second place, I maintain, and I think it will not be denied, that it is the duty of every form of government to pay on demand, its debts which were made payable on demand, as much as it is your duty, Sir, or mine, or that of any gentleman present, or any corporation throughout the land. If I have issued a promise to pay on demand, honesty commands me to pay it at the first possible moment. If a government has done the same, honesty equally requires that

government to pay ; or, if circumstances render immediate payment impossible or dangerous, then to make such provision for payment as shall be possible, without the slightest unnecessary delay.

Now, Sir, I come to the point which I consider fundamental to this whole discussion, and that is this : that in a sound state of currency, all the values of the community compose and maintain an equilibrium, which may be sufficiently well represented by the equilibrium of bodies floating in the ocean, or on a lake or river. They all have their relative values, as the others have their relative weights. Each displaces so much money, as each body in the water displaces so much water. Draw a bucket of water from the Atlantic ocean, and you put the whole sea in motion, until the equilibrium is restored. Draw a fish out of the water, and you disturb the equilibrium in that immediate vicinity, and until that is restored, the water is not perfectly at rest. So it is with values. The rise or fall of one cent in a pound of cotton, the difference of a quarter of a dollar in a barrel of flour, a difference of exchange between nations, causes a disturbance of the equilibrium ; and it is the beauty of this law, that immediately forces are put in motion to restore that equilibrium, by supplying the place of what has been taken away. Sometimes it has become violently disturbed, in consequence of long-continued influences, which have tended to create a local vacuum, and then we have a financial crash, just as in nature, when the equilibrium of atmospheric forces is destroyed, we have a tornado to restore that equilibrium. But, generally, this equilibrium is easily maintained, and the changes are slight and evanescent.

This I consider the fundamental proposition before us. We have no such equilibrium now. I need not remind you, that a year or two ago, flour was twenty dollars a barrel ; now it is ten dollars. I need not remind you that almost every article of consumption, except that particular article, every article of clothing, house rent, and everything else, has advanced from twenty-five to fifty per cent., all over the land, and there is no equilibrium in prices ; some have advanced more, some less. Some goods are threefold what they were before this equilibrium was destroyed, some have advanced fifty and sixty per cent., and some less. In consequence of this, the mercantile classes have sustained great loss, because prices fluctuate so incessantly, and change so rapidly that their goods no longer command cost. I need not enlarge upon this point. It is patent and notorious to every one.

This fact points out what is the real problem before the nation, and of course, at this moment, before this Board. It is not the restora-

tion of specie payments; it is the restoration of the equilibrium of values. For instance, suppose we have two large bodies of water, which must be united for the sake of navigation, and one body is a foot higher than the other. It is very plain, that until we can contrive some mode of equalizing the level of these two bodies of water, we shall not dare to open the flood-gates which separate them, for one body will be overwhelmed, or the other body drained, or, to some extent, both processes will take place. But if we can by means of locks or otherwise, so equalize the pressure between these two bodies that they shall stand in equilibrium, then we can restore navigation. Or, to illustrate still further, if we have a canal opening into a lake, and we can lock the water in that canal to precisely the same level as the water in the lake, then the gates will open almost of themselves, which, if there were one or two feet difference in level, could never be opened, or, if they could, would cause infinite destruction. It is so with values. Values are indicated by prices, and the thing to be done is to restore that equilibrium which formerly existed, and then if our Sub-Treasury opened its doors, if the banks threw open their vaults, and offered to redeem their notes, gold would not be wanted, because paper would have the same purchasing power as gold. But now, gold would command more than twenty per cent. advance, and there are instances where it would have two or three times the purchasing power of paper.

This disposes of two or three arguments that were urged last year. First, it was said that it was impossible to return to specie payments, because there must be an enormous accumulation of specie, in order to meet the enormous demand for redemption. If we were not to restore the equilibrium of prices, that would be true, but if we first establish that equilibrium this accumulation is unnecessary. There is more specie in the Sub-Treasury to-day than there was in all the banks of the country at the commencement of the late war; and we all know that the banks went on piling up gold in their vaults because prices were as low or lower than a specie basis required, because the equilibrium of prices was perfect, or rather it inclined for a time in favor of this country, which brought in quantities of specie to restore the deficiency.

Then there was the opposite theory, that as we were so near an equilibrium, by the withdrawal of a few millions of greenbacks, or in fact, without any withdrawal at all, but only a restoration of confidence, we could immediately reduce gold to par, and borrow money at four per cent., though now we cannot get it at six per cent. All this rests upon a perfectly fictitious foundation. There is no equilib-

brium in values, and consequently, the moment the Government should attempt specie payments, the gold would flow out; this hundred millions would be as nothing for the purpose of restoring the equilibrium of values which every year are produced in this land, to the amount of seven or eight thousand millions of dollars, almost every branch of which has advanced from twenty-five to seventy-five per cent. in its nominal value.

The next question is, What causes this disturbance of equilibrium? If we can get at that, it is evident that by simply reversing that process, we shall be on the right road to specie payments. It is only to turn the key in the lock after you have shut the door; the thing is, *to get the door shut*. When you have restored the equilibrium of values, you may at once and without delay resume specie payments. Now, what causes an inflation, or unnatural advance of prices? I will say, briefly, (and I think the more gentlemen accustomed to the subject reflect upon it, the more they will be inclined to admit the truth of my statement) that it is caused exclusively, I may say, except where accidental causes intervene, by an over inflation of credit, that is, by liabilities being incurred which cannot be redeemed. If I import, produce, or manufacture a thousand dollars worth of merchandise, and sell it to a man on credit, he is at once free to use that merchandise in any way he pleases, let us say for six months. If he is of a speculative turn, he will at once enter into schemes to advance the price; and if I can get the bank to discount his note and give me the money, I am tempted at once to produce or procure more, and that demand tends to raise prices. The more credit I get from the bank, the more credit the buyer gets from me, the more disposition on his part to pay higher prices, and the more disposition on my part to make further sales on credit. But there comes a time when somebody has got to pay. The bank finds it has over-discounted, and must have its money, and I must claim the money of the buyer. If he is unable to pay, he stops payment, the bank is crippled, it refuses accommodation, and the whole thing is thrown out of gear. Then comes a reaction. If I have crippled the bank so that it is unable to sustain the pressure, there is a sudden stoppage, a contraction, and liquidation, and that liquidation brings back the equilibrium of values; but generally it is done in a more quiet way.

I need not enlarge upon this subject. It is perfectly plain to any one who will reflect, that the great engine which raises prices is the undue extension of credit. Now, does that exist in this country? Is there such an extension as will account for the present enormous advance in prices? Look at it. Before the war, every

bank (with few exceptions) would pay specie for an equal amount received in bills. Now, the Government alone has issued three hundred and fifty-six million dollars, which it cannot redeem (except a small portion) in specie, and has passed a law saying that it will not redeem. The banks have issued three hundred million dollars more, which they not only cannot redeem, but the very capital which ought to be available for the purpose of redeeming it is locked up in Washington in United States bonds. In addition to that, they owe to the people of this country six hundred million dollars of so-called deposits. What have they got? Forty-nine million dollars three per cent. certificates; eighty-three million dollars legal-tender notes; twenty-three million dollars specie; and the specie being at a premium, they will not pay it out. Does anybody wonder that money is scarce? So the country is in this position. The Government has issued three hundred and fifty million dollars of greenbacks, two hundred and fifty million dollars of which it cannot redeem; two hundred and seventy-five million dollars of these greenbacks are in circulation, nobody knows where, hoarded more or less in the hands of the people; they are reckoned as money, but there is no power to redeem them. They are not in the possession of the banks, with which to redeem their notes, and the Government has not the power to redeem them if presented. So great is the tension upon the Government, the banks and the people, with this enormous volume of irredeemable paper promises. And still the demand for money goes on increasing and increasing, and so it will until we provide for the payment of interest upon our paper promises, so as at least to fund, if we cannot redeem them. This is the point I have endeavored to bring forward in the resolutions.

I want to see more national bank capital, especially at the South and West. I want to see the Massachusetts banks, and the banks of New England generally, compelled to restrict the amount of their circulation in proportion to their capital, and then I want to see more capital, and a more equal distribution of banking capital, so that every portion of the country may get its fair share of the circulation, and so that there shall be enough for the whole land. And then I want to see, at the same time, provision made by the banks to redeem the promises they have made.

All we have to do is to restore the equilibrium of values; and all we have to do in order to restore the equilibrium of values is to diminish the amount of credit which cannot be redeemed. Credit which can be redeemed can never be excessive. No promise which a man is able to pay is excessive. If I owe a million

dollars, and have the money to pay it, I am solvent; but if I owe a thousand dollars, and have not the means to pay it, then I am insolvent, and have no business to have any credit at all. And that is just the position of a very large part of this country at the present time.

[Mr. ROPES's time having expired, leave to proceed was granted.]

As I have remarked, this shows that more currency is not the true remedy, but more capital. Now, the question is, How are we to meet this difficulty? How are we to resume specie payments? It has been said over and over again, that we should accumulate a large amount of specie. I hope I have shown the fallacy of that argument. If the United States had three hundred and fifty million dollars of gold in its treasury, and offered to redeem every greenback, one-half of them, perhaps, would come in in a short time; the gold would be taken, but it would be sent out of the country, and the currency of the country would be, in thirty days, diminished to that extent. But that is not all. I do not know a bank in this country which on any reasonable ground could be expected to stand the drain of its depositors for a single day. I know of only one bank in the country — the National Bank of Commerce of New York, — (I am happy to pay that compliment to our sister city, if they will allow us to call her so, as we are but a village, after all,) — I say, that is the only bank that could stand its ground against the public; and if they could get specie for their greenbacks, they could meet every possible demand. That is the only one. Out of the fourteen hundred banks in the country, I do not believe there is another one. I say that any bank, corporation or firm that is so situated that it cannot at present meet its obligations, ought at once to set about making a change. They ought to begin to curtail their business, to bring their liabilities within their resources. That is what I want the banks to do; and one of the first steps towards that is to diminish the amount of their circulation in proportion to their capital. Is it not perfectly evident, that a bank which has its whole capital, say one hundred thousand dollars, locked up in bonds, and which in return for these bonds has received ninety thousand dollars of circulating notes, which it is bound to redeem, on demand, in specie, — is it not perfectly evident that it cannot redeem one dollar with its own capital — that it must use the money of its depositors to redeem its notes?

What I want is, that the banks should keep some money at home, even if they do not divide fifteen, twenty or thirty per cent. — at least some earn it, if they don't divide it. I do not think it is right that

they should receive eight or nine per cent. from the Government on the bonds they deposit as security for the Government's promises to pay, and then lend those promises to pay at from six to twelve per cent. per annum in addition, and still make no provision to redeem them.

There is one more supposition, and that is, that we should let the currency alone until we "*grow up to it.*" I do not think there is a man, woman or child living who will ever see this country grow up to the measure of six hundred and fifty million dollars of circulating notes, and six hundred million dollars of bank deposits, redeemable in specie. The thing is incredible, impossible. It has been proved in England, that in twenty years of great increase in trade and commerce, the very thing that would seem to require money, the amount of notes in circulation has diminished rather than increased. Why? The machinery of the banks is so perfect that circulating notes have been superseded. It may be said that the amount of deposits in England is enormous, and that is true. Deposits there draw interest, and many depositors leave their money in bank as an investment, and never draw their balances. If you would deposit a million of dollars with me, and never call for it, I could do a great business, and a perfectly safe one.

I say, in the first place, we shall never reach any possible capacity for such an amount of circulating paper; but supposing it were possible, so great are the fluctuations incident to this volume of paper, sometimes expanding, sometimes contracting, so great are the panics and sudden shocks incident to speculation, and to those little commercial affairs of which we hear sometimes in our large cities, where men lock up five or ten millions at a time, — I say, so mischievous are these things, and so mischievous would they continue to be, that the country would, before many months, at best, cry out against it, and insist upon one of two things, and that we are rapidly coming to, if we do not meet this question manfully. One is Bankruptcy; pass a sponge over our debts, and let banks and merchants fail together — those who must fail. On the other hand, Repudiation. I have lived in a country — Russia — where there was an enormous amount of paper currency issued, and the people not being wealthy, it soon sunk down to about one-quarter of its nominal value. The Government could do nothing about it; they could not borrow money, and the people could not help the matter. After they had gone along twenty years in that way, they redeemed about seven hundred millions by paying two hundred millions. The thing had gone on so long that values had become adjusted to it, and no damage was done at the

time, though very great damage was done at first, and during the process of depreciation.

Let me further illustrate this letting-alone process. Imagine a ship which has drifted ashore. She has parted her cable, or you have lengthened the cable too much, and she has drifted on the beach. What is to be done? We should say: "First haul taut the cable, and then take whatever means are necessary to draw her off." But others might say, "Let her alone; the tide is rising; she will float off by-and-by." But a sailor would say, "No, she will simply be carried higher by the tide, and when it ebbs, nothing could get her off." If you don't apply a moderate pressure here, you will have to do one of two things: either go through a mill that will grind many of us to powder, or *repudiate*. *That* would settle it very nicely and easily.

I would like to reply to some two or three objections that are made to this proposition. One is, that any withdrawal of notes, for that is the form in which excessive credit must be diminished, would derange industry; would, as it was said in one quarter in New York, (there are much more sound financiers than that in New York) "drain the very life-blood of commerce." It has been said (and it is the greatest falsehood that was ever coined) that the bare withdrawal of four millions by the Secretary of the Treasury caused great distress. It is an utter falsehood. I challenge the smallest proof of anything of the kind. The pressure at that time was created by the banks, which used as reserves the compound interest notes that they had no right to use, and then, rather than pay them out, put on the screws. That withdrawal of four millions had no more to do with the pressure than the money in my pocket. That assertion had no foundation. On the contrary, every withdrawal of illegitimate credit strengthens legitimate credit. Remember, I am not advocating the withdrawal of a dollar of the actual capital in existence in the country. Imagine that I sell a thousand dollars worth of merchandise to a man who distributes it to the consumers, and at the end of six months comes back and pays me. Does anybody suppose that any such credit will be curtailed by the action which is necessary to restore specie payments? There is another fact. As fast as you curtail illegitimate credit, you reduce prices; and by reducing prices you make money more abundant, for the same amount of money goes farther. And you also withdraw money from mere speculative uses. Is it not evident that a very large part of our banking capital is being used to-day for the most illegitimate purposes? A merchant cannot go into a bank in Boston, as I understand, unless in exceptional cases, and get a discount at a fair rate of interest, unless he is a customer;

but a party of speculators can go and borrow any amount of so-called money, *at call*, at a low rate of interest, because the bank thinks that in case of need it can squeeze them, and so fortify its reserves, of course at the expense of some other bank. The whole system is hollow, false, and rotten, and I protest against any argument being founded upon such an unnatural state of things. This unnatural scarcity of money is no argument against a legitimate curtailment of illegitimate credit.

I am not aware that I can add anything to interest this body, or to enable them to comprehend more distinctly my arguments for the propositions which I have submitted. But in order to meet the views of many gentlemen here, I have deviated from the line that I proposed to advocate when I came here. I have always felt that the true method of funding the legal tender notes was to issue five or even four per cent. bonds, running, let us say, for thirty years, payable principal and interest in gold, and exchangeable for greenbacks, at par. Then I was on the point of suggesting, as our friends from the West are a little shy of curtailing credit, which they think is money, that in case the pressure became such as to make a reissue of greenbacks necessary, let provision be made, that whoever should bring back the bonds might have greenbacks in exchange. I have no fear of a great tightness of money. I believe it would be a great deal easier from the very day this system was adopted. I have, however, instead of that, adopted the proposition of my friends from Baltimore, whose intelligent coöperation I am delighted to recognize. I see no objection to increasing the bank capital, especially at the South and West, where it is so greatly needed. I am perfectly willing to give up in Massachusetts a proportion, not of bank capital, but of bank circulation.

MR. DORE: I would like to ask a question as to the *modus operandi* by which the gentleman proposes to get back to specie payments. Does he mean, that by a withdrawal of greenbacks and a corresponding issue of bonds, we should be brought to specie payments.

MR. ROPES: No, Sir. I was proceeding to explain the *modus operandi*. It is not, perhaps, the best, theoretically, but it is one which, in the present state of the country, would work best in practice. I would have the Government issue a four per cent. bond. I believe the greenbacks would come in slowly but surely under that system. At the same time, I see no objection to the Government authorizing an increase of the national bank capital, but I would restrict every national bank to a circulation in no case exceeding one-half of its

capital ; for, as I have said, I think if a bank is compelled to lock up half its capital in Washington, it ought to have the other half at home, to redeem its notes. Therefore, with the proviso that the circulation of no bank should exceed one-half its capital, I would allow an indefinite increase of bank capital, but the circulation should only increase *pari passu* with the retirement of greenbacks. What would be the result? Do you say that it would increase the superstructure while diminishing the foundation, and that the whole would topple over? I do not think it would ; but, at all events, with our present system, I do not think you can compel our banks, greedy for gain, to diminish their loans, except from absolute necessity. This would work upon them. If they found that these four per cent. bonds were considered a good investment by the community, and there was a pressure for greenbacks to buy them, the existing banks would be compelled to make provision for the drain of greenbacks by curtailing their loans. In addition to that, I should rejoice if Congress, at the same time that it authorized new banks, would insist upon it that the banks should come down to some reasonable proportion of circulation to capital. I would not have the circulation exceed one-half of the capital, and if they can earn only twenty per cent, instead of thirty, I think it is quite enough. I believe this would work well, work gradually, but work thoroughly ; and, at the same time, I think it would be desirable for Congress to take further steps for security. For instance, I do not know why Congress should not say to the banks, that after two years they must be prepared to resume specie payments, and to that end, they shall lay by every dollar of specie they receive for interest on their bonds, and not pay away one dollar unless to redeem their notes at par. I would not allow them their own reserves in the reserves of other banks. Why, look at it. Here is a bank in the interior, which has a million of dollars of liabilities. The law says it must reserve one hundred and fifty thousand dollars to pay them. Little enough. But how? It is pretty likely to send three-fifths of it to New York. Sixty thousand dollars it must keep in its own vaults. In New York, the bank that receives the ninety thousand dollars treats it as a deposit, on which it reserves only twenty-five per cent. Therefore you have a million dollars of liabilities based on exactly eighty-two thousand five hundred dollars of actual reserve — *eight per cent* ! Is that a proper reserve for a bank which should not be a borrower, but a depository of the money of the community? The whole system is wrong. I have been told by bank cashiers in Boston that they have urged and entreated their directors to reduce their loans and increase their reserves, but the directors were deaf to their entreaties. Why?

Because their loans were so profitable. Nothing will have any effect but the strong hand of the Government, and I hope that strong hand will be exerted.

Mr. KIRKLAND : This proposition now under discussion, in connection with that presented by the Boston Board of Trade, comes from Baltimore. I had not the pleasure of listening to the remarks of my colleague, and I do not know, therefore, whether he stated to this Board, that while this proposition emanates from the Baltimore Board of Trade, it is not the action of that body. There are no instructions to the Baltimore delegation to support it, and our Board in presenting it do not send it here with their indorsement. A member of the Board of Trade and of our Committee on the National Board of Trade, who has given this subject very great consideration, and whose opinions are entitled to all respect, presented this subject, at a meeting of our Board ; and to meet his views and wishes, they allowed the name of the Baltimore Board of Trade to be used in presenting the proposition to your consideration. If the gentleman had asked an indorsement from the Baltimore Board of Trade, I have no hesitation in saying, neither do I think that he would deny it, that it would have been refused. I think that the almost universal sentiment prevailing in the business community is, that it is the first duty of the Government to restore its credit, and to do that, it must resume specie payments. I believe that in the discussion that took place in this body last year, that was the prominent idea. How it should be done, when it should be done, what interests would be affected, who would suffer, or who would be benefitted, was not the question ; but the prominent idea was, that it was the duty of Congress and the Government to restore the credit of this country to the position in which it is entitled to stand ; that they should legislate, looking to the redemption of their first promises, which are now hawked about on the street at a discount, varying every hour, aye, almost every moment. When we assembled in Cincinnati last year, the rate of gold was higher than now, and since then it has fluctuated much higher. We have seen men combine together for the purpose of committing a monstrous fraud upon the business community. I know, to my cost, that no merchant pursuing a legitimate, fair and honest business, which tends to elevate the country in its commercial prosperity, and promote its entire business interests, can make any kind of reliable calculation, as long as we have an irredeemable currency, constantly fluctuating ; and I believe, as I said before, that there is but one opinion among business men, and that is, that it is the duty of the Government to take means looking to a time when this irredeemable currency shall be re-

deemable in gold. Therefore I did not wish this body, composed of merchants holding these views, to suppose that the Baltimore Board of Trade indorses the sentiments of any proposition looking to any other end than this action of the Government in providing for the redemption of its first obligations, the greenbacks, which are in the hands of the mechanic, the merchant, and the professional man, notes upon which they are receiving no interest, and the value of which fluctuates from hour to hour, to the incalculable injury of every individual in the community. The people generally are more injured by this state of things than merchants, because, we suppose that men engaged in mercantile affairs have their wits sharpened, and endeavor so to conduct their business as to meet these contingencies.

I had the honor to submit, last year, a series of resolutions on this subject. I did not suppose that they were to be regarded in the light of a dictum to Congress, nor that any gentleman, in presenting his views, supposes for a moment that he is dictating to Congress what means they shall adopt; but I do suppose that Congress would take up this question, and from the various views presented, adopt some plan that their wisdom might suggest, looking to the redemption of this irredeemable currency.

I do not now intend to offer any proposition, but I hold that it is not necessary for the Government to accumulate in its vaults an amount of specie equalling this currency, any more than it is necessary for a bank in Boston, or anywhere else, to pile up specie in its vaults, to redeem all its notes; what we want is *confidence*. When you get a piece of paper that you know will be redeemed when it is presented, you do not want anything better. The community do not require gold and silver for any other purpose than as a basis. They do not want ten or twenty thousand dollars in gold, to carry about to pay from one person to another; they prefer a piece of paper,—it may be a gold certificate or merchants' check,—if that check is good, it is no matter how large it is; if it is not good, the maker of the check, howsoever small, has too much credit from the man who takes it. What we require is, that the Government should put itself in a position to entitle it to confidence. *Faith* is what we want! When a man holds a greenback he wants to know that when it is presented at the Treasury of the United States he can get the gold for it. Do you suppose that many people are going to rush to Washington to have their money redeemed, when they have something that they know will be redeemed? No, they will be perfectly satisfied with it, when they know that the Government has the ability to meet its obligations. We have heard from all sections, especially from this Northwest, which is

growing with such wonderful rapidity, and in spite of their former opinions that greenbacks really represented a fixed value, — of a desire to return to a specie basis. They do not require gold for the six or seven hundred millions now represented by paper. What Congress has to do is to take steps to give the people *confidence*.

With the immense amount of revenue collected, much more than ample for the current wants of the Government, the debt is being redeemed more rapidly than any body believed possible. There is not a particle of property in the whole country which is not bound, pledged, and mortgaged, for the debt; and there is no right-thinking man who dreams of repudiation. We hold our lands, our houses, our goods, our *all*, pledged to the redemption of this national debt. We know, and *feel* that we are *bound* to pay it, and that is the feeling we have got to impress upon the world! But what is the fact now? We, knowing that we have these immense resources, with which to pay the debt, are grieved to see our bonds in Europe below even those of Egypt! considered by some a barbarian people. Why should not our bonds be worth more than British Consols? We pay the stipulated interest in gold. It is a mortifying fact that they are not. What is the reason of it? A lack of confidence! How can you expect people to have confidence in this Government when it makes no provision to pay a floating debt, — its greenbacks, which it is forcing upon the people. Shallow minds will tell you that we are saving interest on these greenbacks. Saving interest? at the expense of your *honor*, Sir! What would be thought of the merchant who allowed his cash obligations to be sold on the street for twenty to fifty cents on the dollar, and went into the market and bought up his indebtedness, due twelve months hence, at a discount? What should you think of a creditor of yours, who would allow his obligations due to lie over, and yet propose to buy his notes, due six months or twelve months hence at seventy or eighty cents on the dollar? Some men would tell you they were making money; but what faith would you have in them? I say, it is a mistaken idea to suppose that the Government is saving the interest of the country as long as it floats a dollar that is not redeemable. They call it a dollar, but it is not, it is a piece of paper.

What I want this body to do, is to memorialize Congress, in some form, that it is their duty to devise ways and means, (not to adopt my scheme, Mr. ROPES's scheme, or anybody else's favorite scheme,) by which they can put the ship of State on the way to the resumption of specie payments, and the redemption of the national honor; and until they do that, you may continue to be mortified to find your bonds, in

London and in the markets of the world, selling at a point which, in comparison with other national securities, is beneath contempt. In that view, I have written a resolution, which, if in order, I will offer as an amendment to the proposition from Baltimore. I take it the twenty-fourth proposition (National Tax on State Bank Notes) embraces the same subject.

The PRESIDENT : The twenty-second and twenty-third propositions are before the body for consideration, as one subject.

Mr. KIRKLAND : I will read the resolution :

Resolved, That propositions twenty-second, twenty-third, and twenty-fourth on the programme, be referred to a special Committee of —; to report back to this body, before its adjournment, a proposition covering the subject-matters therein contained ; for the approval of this Board.

Mr. DORE : Inasmuch as I do not know how long this Board is to continue its session, or whether I shall be present when the Committee are ready to report, if this resolution should pass, I beg the privilege of making a few remarks bearing upon the subject under consideration.

The last gentleman who addressed the Board says it is the plain duty of Congress to devise ways and means to secure a return to specie payments. I presume there is not the slightest diversity of opinion touching that matter ; and I am happy to say that in the main, I concur entirely in what the gentleman has said, as well as in the remarks of the gentleman who preceded him, (Mr. ROPES ;) and I doubt not Congress would be as happy to return to specie payments, if it only knew how.

I suppose it is one of the purposes of this Board to consider, and indicate, if possible, some means by which this result can be attained. I do not know that I have anything to offer worthy of special consideration ; nevertheless, I beg to suggest one or more modes ; and if anybody can suggest a better, I shall be happy to hear it, and I have no doubt members of Congress will be equally happy.

In the first place, I hold that gold, for the last eight years, has been an article of merchandise. If we would lower the price we must either increase the quantity or lessen the demand. In my judgment, (and the idea is not original with me,) the demand could be lessened by a law of Congress authorizing the Secretary of the Treasury to receive a certain amount, say from one-third to one-half, of the duties on

imports in currency. This certainly could not fail to lessen the demand, and if it should not diminish the value of gold, of course it must have the opposite tendency, to increase the price of currency, thereby diminishing the difference between the purchasing power of currency and of gold. And if Congress would go a step further, and authorize the Secretary of the Treasury to advertise, if gold is selling to-day at one dollar and twenty-two cents, that he will, on the first of next month, redeem greenbacks at one or two per cent., less, and every month thereafter, redeem at one or two cents less than the month preceding, it strikes me that the difference between the price of gold and the price of currency would very rapidly disappear, and without creating any panic, or any material disturbance in the business of the country.

Sir, the people whom my colleagues and I have the honor to represent have seen too much of the ups and downs of business during the last dozen years, incident to commercial crises and a "stump-tail currency," so called, occasioned by being based upon State bonds of uncertain value and an irredeemable national currency, to willingly run the risk of disarranging and further depressing the business of the country. If Congress would clothe the Secretary of the Treasury with the power I have indicated, discretionary, not mandatory, of course, if the plan did not work well in practice, he could discontinue it.

Now, Sir, I hold that these suggestions have at least the merit of moderation; and I hold that it is far better to level up and pass quietly over a chasm, than it is to jump down a precipice, and trust to an equal chance for a harmless fall or a quiet exit.

Mr. OPDYKE: It is with great reluctance that I rise to join in this discussion, for the reason that the subject is so vast and so important to the commercial interests of the country, that I feel, in the absence of any preparation whatever, I shall not be able to do it justice, or to make even a fair presentation of my own views, however impracticable they may be. But, Sir, having given very close attention to the subject of our currency for the last quarter of a century, I have, like my friend from Boston, (Mr. ROPES,) very decided views upon it, and with what brevity I may, and with what clearness I can, I will present them to this Board.

In the first place, I differ somewhat from my friend from Boston in his definition of the nature and application of money. As I understand the office of that instrument of commerce, it is simply to measure the value of commodities and to transfer their ownership.

That is its sole application. The commercial world, with a great degree of unanimity, have adopted for that purpose, the two precious metals, and it is a well-known law of currency, that when thus solely constituted of the precious metals, the volume of currency of any given nation or of the commercial world at large, must be just adequate, and no more, to have the precious metals in the form of coin exchanged for other commodities at their relative cost of production; because, if the producers of the precious metals could not get of other things, an amount in value, (by the term value, I mean cost of production,) equal to that which they give, they would stop producing. And so with other producers; unless they can get an amount of the precious metals equal to that which they give in exchange, they will stop producing. So far from the States having any occasion to fix the amount (from which the law of supply and demand will produce an occasional divergence) with the force of gravitation, the volume is tied to that principle.

Now, Sir, when that form of money is engrafted on paper money, bank notes made convertible, the one to the other, I will assert what I know to be a truth in political economy, but which I will not stop to demonstrate, it does not change the value of that currency at all; that a convertible currency of bank notes and precious metals combined is of precisely the same value as if the currency were all of gold and silver alone. By examining the statistics of the currency of our own country, so far as we have reliable records, and those of Great Britain and France, it will be found that that volume was, in this country, before the discovery of gold in California, which has lessened the cost of gold somewhat, and consequently increased the volume of currency to the same extent, about seven and one-half dollars, and in Great Britain about nine and a half dollars or ten *per capita*. Up to the time of the suspension of specie payments in this country, by the lessened cost of gold, the volume of currency which we could float and maintain its convertibility, including the circulating coin and bank notes, and excluding the coin held by the banks, which was not in circulation, was about ten dollars *per capita*; in Great Britain, about eleven and a half dollars, for the reason that the greater density of population there, by developing the manufacturing interest, had made them to that degree, more of a commercial people than the people of the United States. To prove that these are the points beyond which a convertible currency cannot go, we have only to go back to 1836 and 1837, when by an undue extension of the banking system, our aggregate circulation had reached thirteen dollars and a half *per capita*. What was the consequence? The

most disastrous collapse and failure, not only of the banks, but of the commercial community, and a period of industrial prostration extending to the year 1843, at which time the volume of currency had been again reduced to about seven dollars and a half *per capita*, the previous expansion thus compelling a succeeding contraction as far below the point of gravitation as it had at first been carried above.

Having thus stated the principles of money and the boundaries within which the laws of trade absolutely restrain it as long as it is convertible, let us next look at our present condition. It has already been stated here that we have of greenbacks, of circulating bank notes, and of three per cent., legal-tender certificates, about seven hundred millions of dollars, nearly one hundred millions of which is not in circulation, being held by the banks as a portion of their reserve, just as specie was held before the suspension of specie payments. But we have in addition to that, a small amount of circulating coin, so that, without going into detail, I find, after going over it carefully, that to-day the circulating medium in the United States, the currency, including the gold that is in circulation, — the volume of money in other words, — is seventeen and a half dollars *per capita* — seventy-five per cent. more currency than it is possible for any commercial country in the world to float and maintain its convertibility. Now, before we can get safely back to specie payments, we have got to bring our commerce up to the volume of currency, because commerce and population go hand in hand, or nearly so; occasionally one gets in advance, and occasionally the other. To-day the progress of our commerce is much more rapid than that of our population, growing out of the extension of our railroad system, inso-much that I have no doubt that the volume of our commerce for the last three or four years has increased at a compound ratio of five per cent. per annum; and if our prosperity is not marred by premature efforts at resumption, I have no doubt that increase will continue. Five per cent. per annum of increase of commerce, with a currency of seven hundred millions to facilitate the operations of that commerce, is equivalent to a contraction of thirty-five millions a year, compounded. Now, the question is whether we shall wait that slow process by letting the growth of our commerce slowly, gradually, but surely, climb up to the volume of our currency, or whether we shall attempt to bring about an equilibrium by a rapid contraction of the currency. The uniform method of the nations, including our own, has been to bring about an equilibrium by contraction. We did it in 1837, in 1857, and in every other banking crisis in the country. Great Britain did it; other commercial nations have done it; and in

every case, without a single exception, it has been attended by universal commercial disaster, arresting the progress of industry, arresting, in a word, the entire prosperity of the country which has attempted it. Are we prepared to recommend Congress to do that? Are we prepared for a commercial revulsion which must have double if not treble the force of that of 1837, because we have departed twice as widely from the true measure of value as we had done then, driven thither by the necessities of war, not voluntarily? But we are there, and the question is, how can we best get back? For one, I am fully persuaded that the only path of safety is to maintain with all possible care, the equilibrium of the currency as it exists to-day, neither expanding it nor contracting it, and let the business of the country grow up to it,

Gentlemen say that it is no measure of value; that it is a fluctuating and uncertain currency. I grant you that it is not the specie measure of value. We have departed widely from that, which we all regret; but it was inevitable; doubtless by errors in the administration of the Government, we departed more widely than was wise or judicious; but the evil is upon us, and the question is, how, in the interest of commerce, which we specially represent, in the interest of the whole country, in which we all share, shall we best get back? Now, if any gentleman can devise a plan by which we can shrink our currency seventy-five per cent. at least, the excess over its natural volume, without producing those disasters to which I have referred, I shall be most happy. I have examined the subject in all its aspects, and I must confess that I have utterly failed to find any other way by which we can get back. Some gentlemen propose, as my friend from Boston has proposed, to remove the substratum upon which our bank note circulation rests. I object to that upon two grounds; first, because I am opposed to contraction; and, secondly, if we contract at all, I should be opposed to that method, because, the moment you take that from the bank on which their own fabric is upheld, you compel a contraction so rapid that it will not only ruin the banks, but the community. But I am free to say, that I think the plan proposed will have no effect whatever. The gentleman proposes to get the greenbacks in by exchanging them for a four per cent. three year bond. I will venture to say that if Congress should pass such a law to-morrow, these would not find a single taker; there would not be a dollar invested in the bonds; the law would be entirely innocuous, because it would be entirely inoperative.

Many gentlemen have expressed surprise, that with such an immense volume of paper in circulation, the interest for its use should be so high. They forget another law of political economy, or a law of currency, which is this: that the scale of prices advances in the exact ratio of the increase in the volume of the currency. If you double the volume of currency without changing the amount of business or population, in a very short time the prices of commodities will be just twice as much. We have seven hundred millions to-day; if we should issue seven hundred more it would be scarcely twelve months before money would be just as scarce as it is to-day, and perhaps twice as high. That would be the inevitable effect.

A single word as to the proposition first before us, made by the gentleman from Baltimore. He proposes an enlargement of the bank circulation. I am one of those who believe that a more equitable distribution of the bank note circulation of the country is demanded; it is unjust to the South and to the West, who were not at the time prepared to take their proportion, that they should be deprived of whatever advantages there may be in the issue. My plan would be to scale the circulation, and make an equitable distribution of it. I am strongly inclined to believe, from all I have heard, that the majority in Congress and the Administration are prepared to adopt the measure recommended by my friend from Baltimore. I can only say, that if they accompany it with the condition that the whole bank note circulation shall be made redeemable at convenient places on the seaboard, the measure would be innocuous, — no harm would result from it. It would deprive the banks of the commercial cities of a portion of their circulation, but the entire volume, I think, would not go beyond what it now is.

Now, I desire to make a few remarks on the character of our currency as it is, and its advantages as compared with a convertible currency. Although I shall find very few to agree with me when I make the declaration, I say that I believe we have to-day about as good a currency as we have ever had in this country. We all know that our national banking system is more securely founded than our separate bank system. We know that in the commercial centres the banks are required to keep in their vaults twenty-five per cent. of their entire liabilities; in the interior, I believe, fifteen per cent. There is a check against over-action, because the more business you do the larger the reserve, and it is a most valuable safeguard against that over-action which we have seen in times past under the State bank system. The next advantage is, we know that our currency has an uniform value throughout the States. The constant commissions we have had to

pay in transferring funds, by way of exchange, from one point of the country to the other, are now saved. We know that there is no danger of an excessive issue, because of the limitation to three hundred millions. In every respect, in all points in which our national banking system differs from the separate bank systems which preceded it, it is an improvement. I think it might be still more improved, and made much better than it is.

Now, a word as to what is best. I advocated more than a quarter of a century ago, as the true policy of the country, provided we could have a provision in the Constitution which would prevent any *expansion* beyond the prescribed limit of ten dollars *per capita*, that a paper money circulation, issued by the Government to that extent, would be the best currency that any nation could have. If anybody would guarantee that that limit should not be transcended, I would guarantee that its average value would be higher than gold and silver. The only question is, whether, even by a stringent constitutional provision, that could be brought about. I further believe, that if the Supreme Court should to-morrow declare the Legal-tender Act unconstitutional, although it might produce a little temporary distress, the legal-tender notes in a month would be of as much value as they are to-day. The necessity for their use, and the favor in which they are held by the people of the United States, I am satisfied would give them the same value that they have to-day.

[The ten minutes having expired an extension of time was granted.]

Now, Sir, I wish to appeal to the members of this Board, as the representatives of the commerce of the country, to be very careful to what particular plan they commit themselves as a recommendation to Congress in relation to the currency. It is a subject that demands the most careful and deliberate consideration, and the most cautious action on the part of Congress, to preserve the present prosperity of the country. We all wish to avoid anything which will produce that general insolvency through which we have waded before, and through which other nations have waded. In my judgment, the action of Congress in relation to the issue of greenbacks, from the end of the war until to-day, has been most wise and judicious. We have already, I think, got rid of about three hundred and fifty millions of our circulating money, including the compound interest notes, and the five per cent. compound notes. That is accomplishing a great deal. We have done that without any interruption to the prosperity of the country. It is getting better every year, every month, every day, and the prosperity of the country continues. There is no large profit made now,

because there is a virtual contraction going on, and sooner or later, by some means or other, prices have got to come down; they will come down. I believe it is in the power of the Government, by judicious action, whenever a panic may occur, such as has precipitated bank suspensions in this country hitherto, by imitating the action of the British Government, in authorizing the Bank of England to increase its circulation, to break the force of a panic, and then reduce the circulation again. I believe that the Secretary of the Treasury has to-day the authority to do that very thing. Ever since 1862 we have had a law on our statute book authorizing the Secretary of the Treasury to hold in reserve fifty millions of greenbacks, to meet any unexpected emergency; and whenever a state of things arises threatening a panic, the first thing the banks will be driven to do will be to send in their three per cent. certificates for redemption, and unless the Secretary shall avail himself of this privilege to use the reserve of fifty millions of greenbacks, a bank suspension will be precipitated in twenty-four hours. It was my fortune, in 1857, to be in Liverpool just after the suspension of our banks here, and at the culmination of the panic there. I remember that the failure of one bank and another was announced every half hour. It was impossible to get within three blocks of the Liverpool Exchange. During the excitement a telegram came from London, saying that the Government had authorized the Bank of England to violate its charter and issue more currency. In less than an hour everything was quiet and confidence was restored. Scarcely another failure occurred. I believe the Government is responsible for the volume of the currency, and it is the duty of the Government to watch and keep things steady, and to bring every power and influence and resource to bear to prevent these panics when they are threatened.

To sum up, my own views are and have been, that unless some fresh emergency arises which demands Congressional action, the laws relating to the currency now on our statute book are about the best we can have. Mr. Secretary BOUTWELL, since he came into office, has already contracted the currency ten millions, in the form of three per cent. certificates. We know that it has had its effect upon the money market, and perhaps created great apprehension throughout the country that the demand for currency for moving the crops might precipitate a bank crisis. I think we have passed that danger for this season, and with judicious management on the part of the head of the Government, I hope we can go on and avoid any interruption to our prosperity until we reach the period when the volume of business and

of currency will be on the same level, when we can resume specie payments just as naturally as the ripe fruit drops from the tree.

Mr. CHITTENDEN : I came to this meeting, Mr. President and gentlemen, pre-determined not to say a single word upon this subject, and the reason for it was, that I am perfectly aware that I entertain the most unpopular sentiments upon it which it is possible for anybody to entertain. But I entertain them honestly, and I am just as thoroughly convinced that I am right as everybody else is who discusses the subject. In the few remarks which I propose to make, I shall have nothing to do with financial technicalities ; I shall deal with the subject in an intensely practical way. I will say at the outset that I have not a particle of faith in any legislation, or in any elaborate scheme, as a remedy for our present financial condition, and I will enforce that statement by a single illustration, which is here present before us all, and which every one may find everywhere who will listen to the discussions upon the subject. We have heard the honorable and learned gentleman from Boston, (Mr. ROPES,) who has made me feel my littleness on this whole subject, by the facility with which he has set forth his views, and the arguments by which he has enforced them. We have heard the distinguished Vice-President of the New York Chamber of Commerce, (Mr. OPDYKE,) who has just taken his seat, who, before I scarcely had possession of a thousand dollars, had begun elaborately to study this subject ; and I ask you, gentlemen, every one of you, by what process you are to bring about unity of action on a subject upon which there is so little harmony of opinion among its most intelligent investigators ? It will not be claimed that either Mr. ROPES or Mr. OPDYKE has spoken from any selfish motives, but their methods of solving this financial problem are as widely separated as the East is from the West. I say, gentlemen, that this is a great, and, as I believe, an insuperable bar to any unity of sentiment or to any legislation upon this subject which will effect the desired end. I believe, furthermore — but I will not stop to discuss that question — that our banking system, which was a most successful, if not absolutely necessary measure for war, is precisely as well adapted for peace, as the ships which were constructed by our Government in the time of war are fitted to compete with the vessels now traversing the ocean and doing the commerce of the country. I do not believe that sixteen hundred banks, under any law of Congress, can be administered successfully in this country ; I do not believe that much more than one-half of that number of banks will survive the resumption of specie payments. Gentlemen, you all know, from your own experience, that banks have been established here and there upon fifty or

one hundred or two hundred thousand dollars capital, where they are of no possible use, except to promote the personal ends of those who established them; banks, one-half or two-thirds of whose stock (the utmost limit that the law would allow) is held by a few individuals or by cliques.

Now, I know nothing about banks that make thirty per cent. per annum. The gentleman from Boston has referred to such, and has based his argument very largely upon the fact that the banks are so selfish and so prosperous that they need to be controlled. I do not know but the Boston banks make thirty per cent. per annum, but I think my friend from New York will testify that the New York banks do not make any such sums; that they have about as much as they can do to divide reasonable dividends to their stockholders and pay the enormous taxes which the Government exacts.

In regard to the resumption of specie payments — for I promised to be practical — according to my limited knowledge upon the subject, when Congress passed the law authorizing the Secretary of the Treasury to contract greenbacks four millions a month, it touched the only key to an honest return to an honest currency (Applause.) The Secretary proceeded upon that law, and withdrew about forty-six millions of currency, more or less, and what was the result? In respect to this, I shall differ from very many gentlemen here, but I say, in all sincerity, that I, living in the midst of the clamor against that process, where almost every man I met was denouncing the Secretary and predicting ruin upon all the interests of the country unless the policy was discontinued; I say that I do not and never did know an honest merchant or manufacturer, or a man engaged in any legitimate business, who suffered to the amount of a single farthing by the contraction of that forty-six millions; and I contend now, with this somewhat limited practical knowledge, that if the Secretary had been permitted by Congress to proceed upon that line, we should inevitably have had specie payments before this time. We should not have had the stock of the New York Central railroad watered from twenty millions to ninety millions, including the Hudson river railroad; we should not have had the stock of the Lake Shore railroad from Buffalo to Chicago watered from twelve millions to thirty-five millions; we should not have had millions upon millions of bonds issued by railroad companies, each endeavoring to make itself more popular than the one which preceded it, in order to build railroads faster than the legitimate commerce of the country require, we should not, I say, have had these things if Mr. McCULLOCH had gone on contracting the currency; but we should have had a fair warning given to merchants to prepare

for a return to specie payments; and this would have brought all honest merchants to their senses, and before this time, or about this time, we should have had specie payments, according to my belief. (Applause.)

There has been one other occasion when I believe it was not too late to remedy the mistake which Congress committed in its selfishness, yielding to the clamor of the speculators in New York. When the present administration assumed the helm of the Government, there was nothing more patent to the mind of every intelligent man in the country, than that we had a large surplus revenue; that that surplus revenue could be largely increased by an honest administration of the Revenue Department, and that it was the duty of our new Administration to increase that revenue by honestly administering its departments, and to pay the debts of the country. Now, Mr. President, I am so simple and so old-fashioned, that I believe the Government to be just as much bound by commercial principles in the payment of its debts and obligations, as is a merchant or a banker. I do not understand how a man who administers the Treasury of the United States, occupying his high position by the votes and voice of the people, can adopt principles which would ruin any individual, or any corporation, if pushed to their ultimate results. I say, Sir, that this accumulating revenue, which was more than equal to all the demands of the Government, it was the duty of the Government to administer with prudence, with caution, with a proper regard for the interests of the country; but yet it had no right to do otherwise than to go straight forward and pay the debts of the country. Well, what were those debts, and what was its duty? What would have been the duty of the honest merchant or the honest banker, situated as they were?

[The President stated that the speaker's time had expired; the rule was suspended, and Mr. CHITTENDEN continued.]

The debts consisted: first, of notes payable on demand; secondly, of fifty or sixty millions of three per cent. certificates, which were issued to the banks to enable them to keep up the enormous deposits and circulation to which my friend (Mr. ROPES) has alluded. I presume it is understood perfectly well by every gentleman here, that for these fifty millions of three per cent. certificates which were issued to redeem the compound interest notes, the banks holding them are allowed to run in debt two hundred and fifty millions — five for one. These three per cent. certificates, which were issued to the banks at

about the time when the compound interest notes matured, and when the Government could not pay them, the banks were glad to get, because they enabled them to expend five dollars for one. These certificates were the first things, in my judgment, that the Government was bound to look to. They had at one time, forty millions of currency in the Treasury; that was before Mr. BOUTWELL went into office; but at the time he adopted his policy of buying bonds which had thirteen years to run, he had from thirty to forty millions of currency in the Treasury. It rose from twenty-five millions to nearly or quite forty millions. Now, what I say is, that if the President of the United States had issued at that time, as I would have done, if I had had the power, — and I told him so — a circular stating the fact that the Government was in possession of means to pay a large percentage of its debt; that it was the duty of the Government to pay the debt first that became due first, and that it had no right to pay bonds at twenty-five per cent. premium, which nobody wanted paid under thirteen years while there were these three per cent. certificates lying about, and being used to produce these enormous fluctuations in the currency, and that speculation in Wall street, which mainly had its development in the watering of railroad stock, (for merchants have not speculated largely; it is the railroad interest, and these immense monopolies which have been propagated by that system;) I say, if the President of the United States, through the Secretary of the Treasury, on the fifth of March last, or as soon as the condition of the Treasury had been ascertained, had issued a notice that the Government was able, gradually, to redeem these three per cent. certificates, and that the interest must stop from the first day of July; that the money would be in the Treasury to redeem them at the rate of twenty millions a month, or at such rate as any prudent, upright man would have said was fair and right; I say, such a warning to the country would have prevented Mr. VANDERBILT from making his two railroads represent ninety millions of dollars; and it would have prevented innumerable other similar projects, which, in my judgment, hang on our necks, and doom us to commercial disaster, beyond all hope of salvation by legislation. That is coming squarely to the unpopular conclusion which I expected to reach from the start. They did not do it. They had the chance, but instead of that they did what would ruin any merchant, or any institution, or any corporation, which, having bills payable on demand to a large amount lying around, should go into the market and buy up its notes, payable ten, twelve, or thirteen years hence, at a very large premium. It requires the enormous resources of such a Government as this, for anybody to

expect prosperity after such a breach of true commercial principles. Now, I hold that we are past help, so far as any comprehensive legislation is concerned; but I am not entirely hopeless in regard to the issue of the existing state of things. That is to say, I thought, three or four years ago, that before this time the banks of New York would certainly have come to their end, so far as maintaining their legal reserves, or being able to respond to any demands made upon them for greenbacks was concerned. I do not like to say it here, gentlemen, but it is perfectly well known to New Yorkers, that notwithstanding the large show of excess which the banks make of legal reserves, a demand for ten millions of greenbacks this very hour would probably break them.

I recollect that in 1857, at the time of the suspension of specie payments, the run upon the banks began the moment it was announced that there was but seven millions, or it may have been eleven millions, of specie left. Say what you will of the banking system; speak as you may of it, and devise as you may for its extension, any man who is strong enough to go into New York to-day and draw from the banks five millions of legal-tenders, and hold them until next Monday, or next Saturday even, will probably see a statement in the newspapers that the legal-tenders are reduced to something under five millions; and it takes but one more operation of that kind to smash the banking system. I believe the very first thing Congress should do is to take up that subject; it cannot take it up too soon. I have ceased to anticipate the particular crisis which has seemed to me for two or three months to be inevitable, from my point of view. But I believe that Congress ought to take the whole subject in review, and devise some comprehensive measure of banking and finance for the future of this country, whose prosperity depends upon it. I think that responsibility is placed upon it, that it so understands it, and that it will certainly endeavor to perform its duties; but I do not believe that there is any single measure which can be effective to secure a return to specie payments, independently of a progressive measure or system which shall cover the whole ground, unless it be some possible device which I hope may be suggested in the President's Message, which shall put an end absolutely to speculation in gold. We have seen since the great gold riot in September, that just in proportion as speculations in gold have ceased, the value of gold in the market has diminished. The action of the Secretary of the Treasury in selling gold occasionally, of course, has had something to do with it, but gold is a very dead weight in New York to-day, and would have been probably at fifteen if the Secretary had not on Saturday or Monday last refused to sell at the bids.

There is a great deal more gold carried by private parties than they know how to carry. There is more private capital invested in gold to-day, than there has been at any time within the last ten years, and if we had but eleven millions, perhaps, to sell in September, and have thirty millions perhaps in January, nobody will suppose for a moment that the price of gold can be kept up. I have said that the price has been steadily diminishing; it diminishes quite fast enough. Now, if any gentleman present will write a resolution, in four lines, which will effectually stop speculation in gold for the next ninety days, I believe he will present a proposition which will lead us to specie payments as rapidly as we ought to be led, and that may possibly solve the financial problem.

The gentleman from Chicago, (Mr. DORE,) has made a suggestion in regard to interchanging bonds and greenbacks which suggests this; that it is just possible that if gold and greenbacks were made interchangeable at the Treasury at a fixed price, say in January, and the price for greenbacks should advance a trifle the next month, the gold speculators might be suppressed. But the great obstacle to the resumption of specie payments, under any circumstances, lies in the prodigious amount of speculation in the article itself.

I wish to say a word in regard to the prosperity of the country. I have been in business in New York twenty-five years, and, according to my judgment, there has never been a time in that period, except in the midst of a commercial crisis, when there was so little feeling of prosperity as now, both in the city and its dependencies. I do not know of any class of merchants who keep goods to sell, who can sell their goods and turn them into money to any extent, for their gold value. One of my neighbors, who imports tea very largely, told me last week he could scarcely sell a chest of tea at its gold cost, and had little demand for it at any price. I do not see any motive in postponing the consideration of measures for the immediate resumption of specie payments growing out of the supposed prosperity of the country. I notice that gentlemen here from the West, seem to advocate specie payments. A year or two ago they were utterly opposed to it. At the time that the contraction of the currency was denounced, it was said, "The West will not stand it;" but the people of the West are selling their grain to-day at specie prices. Does anybody believe that the price of a bushel of wheat or of a bushel of corn in Ohio or Minnesota, would be three cents less, if we should have specie payments to-morrow? I do not. I say, therefore, that the want of prosperity here on the Atlantic coast, and the depreciation in the price of agricultural products in the West, concur, as it

seems to me, to demand that we shall come squarely to the question and confront it. I do not believe it is practicable to resume specie payments at once, but I do believe that any procrastination which assumes that we are to grow up to this excessive paper currency will be fatal, and that there is no prosperity underlying that scheme or system. I believe that it is the duty of individuals to take warning now ; that it is the time for every man who can pay his debts to prepare for the crisis ; and I also believe that it is the duty of the Government, to give notice, by its conduct, that it means to march straightly to an honest currency, and to an administration of the finances of this country upon an honest basis. I hope that we shall not have to wait longer than Monday next before having such an utterance from Washington as will convince every man who is able to pay his debts in this country, that it is no time for him to go deeper into debt, but that it is time for him to look about him, and to see that his debts are honestly provided for. (Applause.)

Mr. TAYLOR, of St. Paul : I should be lacking in duty, Sir, to a constituency, which, in, the midst of great financial depression, has assumed, as I humbly submit, an heroic attitude upon this question, — I say I should be lacking in duty to the people of St. Paul and Minnesota, who, as has been so well remarked, are suffering from a reduction in the price of their great staple, which has reached a lower point than ever before since the organization of the State ; if I did not express very briefly the positions which they have taken in the memorial to Congress which was read at the outset of this debate.

Sir, whatever may be the opinion elsewhere in the West, the people of that locality believe that the present condition of the currency is an act of the Government, and that it is the duty of the Government to restore that currency to a sound basis. (Applause.)

This depreciation of the currency of the American people, is the act of the Federal Government, and they ask the Government to exhaust all the means at its disposal, to resort to its credit, to resort to whatever measure may be availed of in any great national crisis, to remove this evil. Here is the National Government, with three hundred and fifty millions of its protested demand notes in the hands, as has been well said, of a trusting and confiding people. We hold the Administration at Washington to the responsibility of making every dollar of that three hundred and fifty millions as good as gold. (Applause.) Can it not do it? Suppose an enemy were thundering in the harbor of New York, and it were necessary that we should negotiate instantly, through the financial agents of the Government,

a gold loan of two hundred millions of dollars ; could it not be done? Should we not be willing to make a sacrifice even upon our securities, to place in the hands of the Government the means to meet such a crisis? Certainly. Here is a great evil resting upon this people, the shadows of which are thickening. We say to the Government at Washington, "Command, by the use of your credit, if necessary, the coin from any part of the civilized world, which shall enable you to redeem your own promises according to their face, in gold and silver."

That is my comment on the proposition from the St. Paul Chamber of Commerce : "That in addition to coin in his possession, the Secretary of the Treasury be authorized and required to support specie payments, by the sale or hypothecation of a special gold loan, payable with interest at four per cent. in five years, the proceeds of which shall be exclusively pledged and applied to the redemption of United States notes." Let Mr. BOUTWELL devise the form of that security which he hopes will be the form of the American consolidated debt in the future ; a four per cent. bond, payable principal and interest in gold, free from taxation, if you choose, and let the first use of that security be to deposit it, with the sanction of Congress, in the hands of the financial agents of the Government at Frankfort, at Paris, at London, at San Francisco, at all the great gold centres of the world ; and then let him announce that on the presentation of these demand notes, the gold in the Treasury shall be paid over its counter to the last dollar to redeem them ; and if more coin shall be necessary, let the Secretary telegraph to his agents at those great gold centres, to sell these four per cent. bonds, this special gold loan, at any rate, to place him in possession of the coin needed to meet these demand notes. Do you say these bonds cannot be sold at par? No matter ; these demand notes in your pocket are not at par ; your Government is discredited in the presence of its people and of the world. If you should be required to suffer a depreciation of fifty millions, or a hundred millions or two hundred millions, on this special gold loan, no matter ; it is the price of specie payments, — it is the *cost* of specie payments. We do not bear it ; posterity will be made to bear it, and I hope they will bear it cheerfully. The practical effect would be to relieve this generation of the burden of a return to specie payments, and to bequeath it to the generation of 1900. It is my firm belief that not fifty millions of such four per cent. gold loan would be needed. But if fifty millions or one hundred millions were needed, is not the metallic wealth of the world large enough to place in the hands of our Government, now restored

and triumphant before the world, whatever amount it needs? There are eight thousand millions of metallic money in the world. We go to the great centres of this accumulation where it is piled up, and say "We want this to redeem the honor of this nation;" could we not get it? There is the whole question. I want these gentlemen of experience around me,—for I defer to their wisdom upon this subject,—to tell me whether this nation is not competent to put its hands upon the coin needed to carry us, without convulsion, through this crisis?

[The allotted ten minutes having expired, leave was granted to Mr. TAYLOR, to continue his remarks.]

When the Government takes this position, it takes a position which will unite the West with the East. It is not *contraction*; it is *redemption*. It is not contraction; it is the command of the means, through the credit of the Government, necessary to float this circulation and sustain it at par, and I want an argument, addressed to that point before this debate is closed, that I may assure my constituents on my return, that their deliberate utterance is mistaken if it be so.

Now, for the banks. It is the happy providence of this question, that they can follow right in the wake of the Government. Your Government is under constitutional obligations to redeem in gold and silver and nothing else; your banks have the option to redeem in gold and silver or in United States notes. If your Government kept up its circulation of greenbacks at par, with a gold standard, the banks could redeem their obligations just as easily as now, and they become from the start, the aids and coadjutors of the Government in preventing a run upon its resources, in maintaining confidence everywhere, and in making the transition easy.

One word further in regard to the permanent policy of this Government, as I believe it is represented by Western public sentiment. It is that we want a circulation by the Government of at least one-half the present amount of our circulation. We want, as stated in our memorial, the suppression by law of all bank notes of less than ten dollars, in order that gold and silver may occupy the whole field of circulation, thus supporting the banks upon this solid substratum, the Government credit and circulation. The banks, thus borne by the Government to the point of the redemption of their notes, and the resumption of specie payments thus established by an heroic effort of the Government, in justice to its people, the way is clear to throw down these restrictions upon the banking institutions of the country; and when the Government surrenders to the people

this open field of circulation, we desire that the system shall be made unqualifiedly free.

There is but one other proposition. It is that notwithstanding all the aid which the Government, directly and indirectly, would thus give to the banks, in the efforts at resumption, it shall go still further. I was glad to hear from Mr. OPDYKE that there is a law already in force which authorizes the Secretary of the Treasury to issue fifty millions of greenbacks. This proposition is, that the Government might provide for the reissue of fifty millions of greenbacks in exchange for that amount of bonds. There is a proposition in the report of the last Comptroller of the Currency, that a reserve of legal-tenders should be held for the benefit of the banks in case of resumption, to be issued to them upon hypothecation of the United States notes. Let us put aside fifty millions for this purpose, the Government holding itself in a condition to redeem the whole issue in coin. Then if the Government sees a crisis approaching, let it have recourse to this reservation, and thus prevent another severe or disastrous revulsion. I say, then, that the time has come for the gold standard to be restored, on the demand of the people who hold these depreciated and debased notes, and it is the duty of the Government, to which a stern and resolute public opinion should hold them, to see to it that they discharge their duty to the people, and provide the ways and means of accomplishing that great result without disaster to the country.

Mr. WETHERILL : It does seem to me very essential and necessary, just at this time, for each one of us to think of what has fallen from some of the gentlemen who represent the great money centre of the United States. It is a very serious thing when such gentlemen meet us here and say that from the appearance of things they fear repudiation. We, outside of New York, weigh well their words. We hear from them that they desire us, in our small towns and villages and in the country, to make their city the money centre. We hear, also, that the national banks of Boston, St. Louis, Cincinnati and Philadelphia must redeem in New York ; and we hear from one who, from his experience, knows as well as any other man the condition of things there, that the New York banks would be broken if ten millions of greenbacks were demanded. From what little I know of Philadelphia, I feel sure that, with our small banking capital, we have thirty-one per cent. of our liabilities in our vaults, and if New York cannot meet its liabilities, I think it is time that the country should know it, and that the money centre of the country should be changed to another city. (Applause.)

So much for the condition of the New York banks. I do not believe that the fact that railroad stocks are watered is any indication, outside of the city of New York, of the speculative feeling of the people of the United States. That is my opinion. We all know that New York speculators love to make money, and probably if we had the opportunity we should do as they do; but, Sir, because railroad companies want to borrow money, or desire to make their presidents and directors rich by improper conduct; because railroad presidents will not only endeavor to rule railroad lines, but also opera houses, and the money market, and to create gold panics; because one man, forsooth, who may present himself as a railroad king, can raise such a hubbub in the city of New York, is it to be said that therefore there is danger, that therefore Philadelphia must be careful, that therefore Boston must be prudent, and that therefore repudiation may threaten in the United States? I do not believe a word of it. Sir, I honestly think that all these plans now before us, no matter how carefully devised, are not equal to that practical policy which the administration of the United States is to-day, through the Secretary of the Treasury, clearly and unequivocally carrying out. That official does not desire to disturb the currency; he understands full well that the prosperity of the commercial and manufacturing interests of the country is closely identified with his success, and he believes that with care and prudence he may so reduce the price of gold as not to affect those interests, which, while they affect us, also affect him. No, Sir, the policy which the Administration has adopted is a practical policy, which commends itself to the reason of us all; and, as we judge of a policy by its results, what could we have better than what we see to-day? For we have it from the gentleman from New York himself, that he honestly believes gold to-day is not worth over one dollar and fifteen cents. Who produced that result? I did not notice, when Mr. McCULLOCH was contracting at the rate of four millions a month, that gold so steadily and surely declined as when Mr. BOUTWELL stood ready, with the gold at his back, to suppress any panic which a gold-ringing in New York might create. Day by day, he has steadily reduced the price, without any very material injury to the country.

Sir, we, outside of New York, watch what is going on in that city with as much care and thoughtfulness, perhaps, as those living in it, and we have this advantage, that while we see what is going on in that city we are outside of its dangerous influences, and we know what an unsafe condition of things undue speculation may produce. So we in Philadelphia, knowing that the road to prosperity and to success lies in the development of our country, in producing out of it all the

wealth we can, quietly plod on. We make our iron, we dig our coal, and we add to the wealth of the country thereby. And the South to-day is doing the same thing. What care they what Mr. VANDERBILT may do, or what Mr. FISK may do? They know that they can produce, at a cost of fourteen cents a pound, an article which brings quickly twenty-four cents; they see that and study upon that and that alone. They say "We are satisfied; let us alone. The old things have passed away, and we want no more of them. We shall continue to do as we are doing, until, when you foot up our figures, you will be surprised at our wealth." There, Sir, I see the growing wealth of this country. There I see gold coming in and its price declining, and I hail with joy the enterprise and industry which the South is showing. So also in the Northwest. When I observe what she is doing, what her balances are, and the immense amount of produce she is taking from the ground and sending to market, shall I, because things may look a little dark in New York, because the merchants of that city are not, perhaps, quite so successful as they were during the war, shall I, because of this, conclude that there is danger of repudiation? No, Sir, I think not.

Mr. THOMAS : *Mr. President*, I have long believed that the doctors of the country kill more patients than they cure; and that whilst nature, by her reinvigorating powers, has restored the shattered constitution, the physician takes to himself the credit of having saved the life. Now, whilst we are being presented with innumerable panaceas in the shape of proposed legislation for our diseased financial condition, each one of which is held to be indispensable to resumption, we have been, and still are, gradually approaching specie payments without any legislation whatever, and quite as rapidly as the interest of the people will permit.

Whilst our financial doctors are continually telling us that the volume of currency must be reduced or increased in order to resume specie payments, the restoration of our credit and other natural causes are rapidly bringing about that event. Gentlemen appear to overlook the important fact that we have abolished the old rotten and unconstitutional system of State banks and adopted the only constitutional one — that resting on the Federal Constitution and supported by Federal credit.

The measures of relief which have been proposed to-day would have been entirely appropriate and perhaps effective before the rebellion, when our paper circulation rested upon the credit and solvency of State banks. But happily for the business world and our people generally, a much better system now prevails. Every legal-tender

note, greenback and bond of whatever denomination, rests upon the substantial credit of the United States, and the holder is, therefore, not to suffer hereafter from the dishonesty or incompetency of bank managers, so far at least as the redemption of currency is concerned.

But the demand now made for the immediate redemption in coin of the paper circulation of the country is simply a demand that the Government provide at least two thousand millions of dollars of specie to accomplish that result, and yet the gentleman from St. Paul, (Mr. TAYLOR,) demands that the Government, or, in other words, the people of the United States, shall accomplish this impracticability. It is contended that, inasmuch as the Government has brought upon us our great indebtedness, the consequence of which is a suspension of specie payments, therefore the Government must, instantly, at once and at whatever cost, restore specie payments.

Can the gentleman separate the Government from the people? Or is he prepared to recommend the enormous taxation, which a forced resumption of specie payments, to be permanent, would require? Is he prepared to increase the burden which now hangs like a mill-stone around the necks of the people, in order that the General Government shall be able to redeem at once all its promises to pay? If he is not willing to do this he must wait patiently until the credit of our Government in the financial world is at least at par, which I confidently believe will be the case at no remote period. Any attempt by pot-house legislation to force resumption will not only prove disastrous to the commercial community, but will, in my opinion, be as temporary as the arguments in favor of it are illogical and deceptive. The Government of the United States will not resume specie payments within the next quarter of a century, unless it does it upon its credit, and credit, particularly national credit, is not the growth of an hour or a day. How, then, is resumption to be brought about? Why, simply by waiting patiently until the capitalists of the world, domestic and foreign, become acquainted with the fact that we intend to pay our debts to the last farthing.

We have just emerged from a bloody and expensive war, which has entailed upon us an enormous public debt.

Politicians have up to this time charged each other with a determination to repudiate this debt. Indeed, the two great parties of the country have accused each other of this intention. Under these circumstances, it is amazing that our credit should have improved to any extent, and that gold did not remain at two hundred and fifty.

Our law-makers may do much to create the credit indispensable to a permanent resumption of specie payments. Let them, one and all

of each political party, proclaim the sacredness of the national debt, and of our ability and determination to pay it. Let this fact become universally known — and it is becoming known more and more every day : let it be published abroad that the people of the United States do not intend that their legislators shall repudiate their pecuniary obligations ; let our law-makers of each political party cease charging each other with a determination to dishonor the nation by a repudiation of its just obligations, and then let Congress convert all of its various, and to the ordinary mind, incomprehensible loans, our five-twenties, our seven-thirties and our ten-forties, into one plain and simple obligation, which not only financiers can comprehend, but the small capitalists of the world may understand. Make it payable fifty years hence, bearing an interest of four per cent., principal and interest payable in gold, and specie payments, without further effort, will be the easy and natural result.

The resumption of specie payments does not depend upon the volume of the paper circulation in the country. It can be maintained under a circulation of six hundred millions as readily as three hundred millions of dollars, resting upon Government credit, and that credit at par ; whereas, it cannot be maintained with one hundred and fifty millions of Government notes in circulation and national credit below par. If the paper circulation of the country rested, as formerly, upon the credit of the State banks, the case would be quite different.

The only effect of an increased paper circulation is an inflation of values, and this effect being uniform, there are no circumstances which can result from it which at all compensate for this incontinence of trade and the prostration of business which will necessarily result from an insufficient money circulating medium.

The Board adjourned to Saturday morning at ten o'clock.

FOURTH DAY.

SATURDAY, DECEMBER 4, 1869.

The Board met at ten o'clock. The President in the chair.

Prayer was offered by the Rev. Dr. HOGE, of the Presbyterian Church, Richmond.

The journal of yesterday was read and approved.

Mr. GANO: I beg to offer the following:

Resolved, That the consideration of proposition number twenty, — "The James River and Kanawha Canal," — follow the disposal of the question before us at the present time, instead of being made arbitrarily in order at eleven o'clock.

Adopted.

The PRESIDENT: The question before the house is on the motion to refer propositions number twenty-two, twenty-three, and twenty-four to a Committee.

Mr. HASTIE: As the North, East, and West have expressed themselves with regard to the financial question concerning specie payments, I would beg to say a few words, which I do with great want of confidence, not only in my ability, but in that of any other man, to grasp it. When we look back to our financial history, we find that the greatest minds of this country, as regards the question of the Sub-Treasury, were pitted against each other. There were CLAY and WEBSTER on one side, and SILAS WRIGHT, VAN BUREN, BENTON, and other eminent men, on the other. The result of that contest was, that the Whig party came into power under General HARRISON, and SILAS WRIGHT was thrown overboard for a time. But, Sir, it is likewise a matter of history, that when the Whig party came into power, under General HARRISON, DANIEL WEBSTER being Secretary of State, the principles of that party, on this question, were thrown overboard, the Sub-Treasury was adopted as a principle of the Whig party, and the law establishing it has remained the law of the land to the

present hour. The only question that was at issue in that exciting contest was "Log Cabins" and "Hard Cider;" there was nothing else, because the Whig party adopted the principles of the Democratic party.

Now, Sir, when we see such minds as these upon different sides of a question of this kind, we should approach the discussion with a great deal of caution. I am far from thinking that this is the proper time to agitate the question of specie payments, and I would prefer to let the matter lie over for the present. The South is in no condition now to pay gold. The debt of the nation is not held at the South; we scarcely hold one dollar of it. The debt is held, to a large extent, in New England, and when specie is demanded for that debt, it is merely to increase the amount that we have to pay by twenty-five per cent. When we look forward to the manner in which this debt shall be paid, I assure you, candidly, that I believe we are to look to the great crops of the South to put the country through. I would therefore beg leave to offer an amendment to the resolution now pending before the house:

Resolved, That in the opinion of this Board, any movement made by Congress, with a view to the resumption of specie payments at an early day, will be prejudicial to the best interests of the country; that a strict economy in the expenditures of the Government, causing a rapid decrease of the national debt, is the true policy, and in time will place our country upon a specie basis.

The PRESIDENT: The amendment is not in order. The resolution to commit the question to a Committee is a privileged question, and must be disposed of independently. You can only get at it by moving to postpone the resolution now before the house.

Mr. HASTIE: I will make that motion.

The PRESIDENT: The gentleman from South Carolina has moved to postpone the resolution now before the house, for the purpose of offering what he has just read as a substitute for it, and that proposition is now before the body.

Mr. TREZEVANT: The range of discussion upon this subject would convince me, if I were at all disposed to be egotistical, that my views expressed in this Board a year ago are correct. My friend from South Carolina has exactly stated the convictions I then entertained, and now entertain; and if I were disposed to be discourteous to gentlemen who advocate other opinions, I should move to lay the whole matter upon the table. A year ago, at Cincinnati, I had the

honor to say that I regarded the solution of this question as depending upon the degree of credit and confidence which should be given to the Government, and that that credit and that confidence would depend upon its resources. I think to-day the solution of the whole difficulty lies in that; it is a matter of confidence, entirely, solely. I believe that gold was then about one hundred and forty. It is now one hundred and twenty-two or twenty-three. It has been gradually coming down towards par. Mr. CHITTENDEN told us yesterday, that but for some contingency a week or two ago, it would have been one hundred and fifteen, showing that that degree of confidence is gradually coming back in the public mind, which alone will restore specie payments.

Mr. ROPES : Will the gentleman allow me to explain that matter in a single word? Four years and a half ago gold was nearly as low as now. Confidence in the Government has been steadily augmenting from that time to this. The six per cent. bonds at that time were barely above par. They have been more than twenty per cent. above par. Five per cents. are six per cent. above par. It is supposed that four per cent. would now be about par. Confidence in the Government has steadily augmented, as it should do, but specie is barely lower now than it was four and a half years ago.

Mr. TREZEVANT : Still, I think my argument is in the main correct. While I defer most cheerfully to the better and larger experience of the gentlemen from Boston and New York, I think the whole matter comes back to this question of confidence. I would ask the question, "Why is it that the bonds of Massachusetts are worth more than the bonds of Tennessee?" Confidence—confidence—confidence—nothing else, for Tennessee is rich and able to pay all it owes to-day. It is because of the belief that in Massachusetts things will be economically and rightly managed, and in our State rather loosely managed. And when I say the country is able to pay its debts, I do not mean that it can be forced to do so by legal process. An honest man is never required to be forced to pay his debts by process of law, though he can be; but you cannot force the Government, except by public opinion, and of that public opinion, the touchstone is confidence. I therefore but reiterate the conviction I expressed a year ago, that this matter is one which cannot be affected by any possible debate we may have upon it. Just look at it! In all Governments, ancient and modern, the management of the finances has been regarded universally as one of the most delicate operations, because public opinion is a thing that you cannot force by anything like a legal process, as you can individuals, it is a matter depending

solely upon public confidence, upon public judgment. We propose here, in a few days, to settle a question that may occupy Congress very probably and very properly, two, three, or four months; and Congress will surely call in to its aid the ablest financial minds of the country, as it has always done from its organization until this day. In any great crisis, it has never depended upon what its individual members may think upon financial questions, but has always gone to the sound minds at the money centres for aid, for counsel, for advice. It telegraphs to Boston, New York, and Philadelphia for men proverbial for wisdom, for prudence, for sagacity, to come to Washington and give their help. Congress will meet on Monday next; the message will be delivered on that day or on Tuesday; and if it were in order, I would ask my friend, Mr. HASTIE, to move that this matter be postponed until the next meeting of the Board. Let us see what may be done in the meantime by that body, which can legislate, while we can only recommend.

Mr. CAMPBELL: I feel that there is no subject which can come before this body for its consideration which so deeply affects the condition and standing of every merchant in the land as the one now before us. Disturb the finances of the country, by either an excessive issue or a severe contraction, and it needs no prophet to tell what will be the result. In the one case a great advance of prices, in the other a great fall in prices, and I cannot see any way by which it may be remedied. If we study the history of banking for the last sixty or seventy years, only looking over it very cursorily, we shall find it a very instructive history. From it we may learn wisdom, and by observing the principles and rules of a correct financial policy, may avoid the sands and shoals and rocks upon which so many have been shipwrecked. If we look at the policy of the Bank of England, from the suspension in 1794, until its final resumption of specie payments, in 1823, we may learn a lesson that will be a warning to us. From a circulation of nine millions of pounds it gradually rose to a circulation of twenty-seven millions of pounds. Then England tried to resume. What was the result? She could not do it. The suspension continued. She tried again in 1819 and 1821, and failed again. She contracted her circulation from something over twenty-seven millions to eighteen millions, in 1823, and then finally resumed, with over ten millions of bullion in her vaults. What was the result? Turn to the history. There was a severe contraction, in four years, of nearly one third of her circulation. Look at the disaster that followed, and let that be a warning to us.

From the history of the bank circulation of England from 1834 to 1859, there is another very instructive lesson to be drawn. The average circulation from 1834 to 1859, inclusive, a period of twenty-six years was thirty-seven million pounds and a fraction. What was the greatest variation from that during the whole twenty-six years? Once only in that time, in 1848, the total circulation of the Bank of England sank to a little over thirty-two millions; ranging at other times between thirty-four and thirty-nine millions. Twice, the highest amount was exceeded, in 1853 and 1854, when it went up to forty-one millions. The highest amount of variation in the total circulation of the paper money of England, during that period of twenty-six years, was eight millions of pounds. Here is a very important lesson for us to consider.

And what was the history of England during that whole period? Do we read of tremendous fluctuations? Do we find that there was a great increase of values at one time and a great reduction at another? I think not.

Then we turn to our own country. In 1830, the bank circulation was sixty-one millions of dollars; in 1836, one hundred and forty million dollars; in 1837, one hundred and forty-nine million dollars. Now, look at the history of this country from 1830 to 1837. Every business man knows what was the result of that great increase of the circulation, and the tremendous increase of values in those three years. And what was the final result? In 1837, suspension, disaster, a great reduction in values. It is said that it made five hundred thousand bankrupts. Consequently, in 1840, Congress passed the Bankrupt Law. This is pretty old news, and patent to all; but it is well enough to recall these facts to mind.

Now, what was the circulation in 1843? It sank to fifty-eight millions and a little over, — a fraction over one-third what it was six years before. There is a very important lesson to my mind to be drawn from that fact.

Now, let me go a little farther. In 1856 the fifty-eight millions had increased to one hundred and ninety-five millions, and in 1857, to two hundred and fourteen millions. What was the result then to the commercial community? That was the highest amount — two hundred and fourteen millions of dollars, — I assert it without the fear of successful contradiction, that, up to that period, we had ever floated on a specie basis. And what was the result in 1857? I need not ask any business man here what it was. Look at the panics that commenced in August of that year! How they passed like fire and whirlwind over the land! Then, again, look at the circulation in

1858, one year following ! It went down from two hundred and fourteen millions to one hundred and fifty-five millions. Was there not a shrinking of values again ? We all know it.

From this brief review of history, I think we ought to learn a very important lesson. From the exigency of the case, to meet the demands and wants of the nation, we have increased that circulation to an unparalleled amount, and as was observed yesterday, notwithstanding the immense increase of volume, which to-day is some seven hundred millions, we have never had, in the thirty-five years during which I have been in business, a currency to be compared with it.

Another thing. One gentleman asks here, "Cannot the Government put its hand upon the gold to meet its liabilities?" I say, to-day, No, Sir ; it cannot. That is my deliberate judgment.

Now, then, where are we ? Every business man knows this fact : If he wants his paper to sell in the market at a low rate of interest, there are two things absolutely necessary ; he must be exceedingly careful in the quantity that he issues, and the community must be satisfied of his abundant ability to meet it at maturity. These are simple facts in commercial life. If a man transgresses either one of these rules, if he issues an immense amount of paper, his paper will not continue to sell in the market at a low rate of interest ; if the community are not satisfied of his responsibility, these notes will sell at a high rate of interest.

This brings me to another important point. I ask any business man, can you legislate confidence into the community in relation to financial matters ? No, Sir ; it is a moral impossibility for the Government to legislate confidence into the community that it is to-day, or will be to-morrow or next year, abundantly able to pay all demands, at sight. It is, I repeat, a moral impossibility ; it cannot be done.

Now, Sir, we have a circulation unparalleled for us, and perhaps for any other country ; but the country itself is unparalleled on the face of the earth. When I look abroad but for a moment at the vast resources of this country, — when I look at its mountains of minerals, at its vast wealth, at its great progress and advancement in everything that goes to make up the prosperity and grandeur of a nation, — I feel that it is without a parallel ; history cannot duplicate it. Here, then, are the resources ; and what is the condition of the Government ? It is in a condition precisely like that of the merchant who has issued a large amount of paper, for a valuable consideration, but whose sales, for the time being, have not met his expectations,

and he is obliged to suspend. What then? Suppose he comes forward and says to his creditors, "I can show of actual available assets, twenty dollars for every one that I owe," what will they do? Will they go to work and force that man through bankruptcy? I hope no judicious business man would be guilty of such a thing. That, I contend, is all that the Government wants to-day. I was glad to hear the response from this body when it was said this Government would never repudiate. No such idea can be entertained for a single moment. All the Government wants is a little time, with wise, judicious financial management.

[The President's hammer interrupted the speaker, but leave was granted him to proceed.]

Now, let us look back for the last six or seven months. Where will you find a more successful liquidation of debt than we have had within the past six months? Can you produce its parallel on the face of the earth? I think not. Now, I think it would be easy for the present Congress to reduce the internal revenue tariff a few millions of dollars, picking out various items, here, there, and yonder, just so far as it is compatible with the best interests of the country to reduce its resources from that quarter. What then? Continue on in the same identical policy that the Government is now pursuing, one, two, three, or four years longer. What then? My opinion is, that then the credit of the country will be so fully established upon the continent of Europe and in all the money centres of the world, that it will be but very little trouble for the Government to contract a loan for any number of millions of dollars it may want, at four per cent. That is my judgment; I may be wrong. Let it go on, two, three, or four years, just as we are doing, and not increase the circulating medium one dollar, — and I am not particular whether you reduce it or not.

Now, if I am right, in a very few years, the Government would thus reduce its debt very materially, and the money centres of the world would be satisfied of our ability to pay, and we could borrow any amount of money at four per cent. What then? Suppose Congress authorized the Secretary to issue a thousand millions or fifteen hundred millions of bonds bearing four per cent. interest, and suppose we could borrow that amount, at four per cent.; that would be in gold. The Government could then come forward and say to the banks and the other holders of our present securities, "Gentlemen, we will exchange bonds with you, or we will give you gold." What would be the result? They could take their choice.

And suppose they take the gold — surely the country has quite an advantage then. Suppose they exchange bonds — the Government saves two per cent. upon the balance. Something like that is feasible ; it is not visionary, and it is placing the thing upon a solid foundation. I am opposed to these extreme fluctuations, and shall rejoice and be glad to see all values come down to a specie basis, but, gentlemen, do not do anything rashly, because we may have an entire lifetime in which to regret it, and if we do, we may be forced, many of us, who think we are able to pay our debts, to take the benefit of the Bankrupt Law.

Mr. HOLTON : I should much prefer to sit here, if I could, consistently with my duty, and listen to these elaborate arguments from other gentlemen in the house, than to engage the attention of the Board for even a moment in the expression of my own humble views. Still, I cannot do that. I regard this as one of our great questions, and one of our most useful questions. Certainly, if we can accomplish any good here, in this voluntary way, as merchants and business men, coming from all parts of the country and representing all its varied interests it is in our concurrent opinion upon such a grave question as this, and we shall not any of us, discharge our duty, unless there shall be a reasonably harmonious opinion expressed about it. We have, on two occasions which have convened us together, at Boston and at Cincinnati, given a protracted consideration to this question. We were honored, Mr. President, by your presentation of the subject of finance at Boston, so elaborate, so strong, and, I think, so eminently useful to the country. I think that report turned back the tide that tended toward repudiation in this country. That is my sincere conviction. I think it gave a check to the licentious feeling which had seized upon our impulsive American mind, that was already girding itself to rush with an impetuosity that nothing could have withstood, into repudiation. I think that was one of the results of the National Convention at Boston. At Cincinnati, we deliberated as well as we could upon the same subject, at considerable length, and we arrived substantially at one point ; we agreed that we could not attempt to make any definite plan ; we agreed that it was idle for us to say exactly what method should be adopted. You, Sir, came with your method, Mr. ROPES and others came with theirs ; but my friend, Mr. STRANAHAN, struck the key-note, and severed the Gordian knot, when he urged that the simple question was, "What is the judgment of this Board upon the naked proposition ?—without plan, without method ; these are to be left to the Government officers." The Cincinnati Convention then leaving aside all

plans, said to Congress, "back, — back to specie payments." We are here convened, from all parts of the country, to utter an opinion on that same subject. That is our province; that is the value of our sitting here to-day. Congress waits to-day, to hear that opinion. I know several gentlemen who have come to regard our opinion (your opinion and mine, humble as some of us may be) with some attention. I know minds that have been governed, to some extent, by the judgment of this body of prudent, far-seeing, unprejudiced men, looking with an eye to their interests as business men, and to the welfare of the country. It is not, then, sufficient to pass over this question, as the gentleman from South Carolina suggests, and refuse to offer an opinion. We stultify ourselves by such a course.

I now wish to express my simple opinion; I am not going to attempt to discuss this matter; I am not going to attempt to discuss Mr. ROPES's plan, or any other plan, but I wish simply to utter my opinion clearly and strongly, that it is the duty of the Government to come back to a constitutional currency. I desire here and everywhere to declare, that the Government has no right to put forward as money what I denominate "shin-plasters." The Constitution of the United States declares what is money. The world, rising above that, declares what is money. The civilized world has decided upon this, through thousands of years of commercial intercourse and the growth of civilization. The Creator has spread out over this earth the precious metals, and He has hidden them so deep in the mountains, and has spread them out so infinitessimally upon the surface of the ground, that man's labor must be put forth for their recovery; and when I hold at rest any of the precious metals, I only exchange my surplus commodity for what has cost some one just as much to dig out of the bowels of the earth. The precious metals have always been fixed upon as the standard of value by the common consent of mankind, in exchange for the surplus products of the industry of man. To say that you might print a piece of paper and make that the representation of value, does not meet the idea. It lies in man's intellect. He seizes upon gold and the precious metals as the beautiful expression, at rest, of exchangeable products. I wish to sell you a horse; you have one hundred dollars of gold in your hand, which you have labored in the mountains to procure; I am willing to exchange my horse for that. I wish rest; I hold it; in my mind it is the representative of value, and by a common consent it is so with my neighbor. And I may go and exchange with him again for some of his surplus products, for a horse or for a cow, if he has one to sell. The world has settled this. We unsettled it when we went to war, as a great necessity. Does

that necessity exist to-day? The learned gentleman from New York and other gentlemen say it does. Mr. ROPES and Mr. TAYLOR say it does not. I think it does not, with all deference to the opinions of the gentlemen who think otherwise upon this subject. This is the view I take. The Government has issued three hundred and fifty millions of currency. The Government owes twenty-five hundred millions, and to-day it pays specie upon all but this one-fifth, which it has put into the hands of the people and makes them carry. Why not take that one-fifth out of the way? Can any man answer that question? Why not turn that into gold, according to the suggestion of my friend from St. Paul? It is paying to-day on four-fifths of its indebtedness, gold. If I am owing a note at the Suffolk bank, and pay the interest promptly, I am no insolvent debtor. So the Government by paying gold interest may be said to be paying specie on its funded debt.

That man who is abundantly able to pay you and will not pay, who will shirk and shift and whine, but will not pay, what do you say of him? We have many men in the community of that kind, who will not pay their notes though able to do so. What do we think of them? The man who is abundantly able to pay ought to be made to pay; he is not a sound commercial man unless he does pay. I do not call him so; and the Government of the United States, in my opinion, is precisely in that attitude in regard to this four hundred millions of currency. It is able to pay. The little scheme that my friend Mr. ROPES has presented here will pay it in a very few months. Put afloat the bonds, which will bring the greenbacks into the Treasury, if you please, at par. It is getting along pretty cheap. The Government is shaving its own paper, because it is not worth par, that is all. It is a good deal like a wealthy man, who is able to pay, shaving his own paper; but still I will consent to it. If the bond is put afloat, I understand that to be the effect of it.

[The ten minutes having expired, time was granted to Mr. HOLTON to continue his remarks.]

I cannot for the life of me see how such a bond is going to rob us of our circulation, of which there is so much fear expressed by some. A man comes to me and says: "Here, you have got some greenbacks." "Yes, I have got a thousand dollars." "What will you take for them in gold?" "Eighty cents on the dollar." "Very good." He comes from Amsterdam, London, or elsewhere. To-morrow he comes again. He says, "I want another thousand dollars of greenbacks, what will you take?" "I will take eighty-one cents." The next day I want eighty-five cents; and so their value continues to increase. They are

not to be put out; the Government is redeeming them; it is taking up the shin-plasters, which have no business abroad. The man pays eighty-five cents, then ninety, then ninety-five, and finally a hundred. When the greenbacks are thus out of the way, be it one, two, three, four, or five years hence, then there is no longer any legal-tender, but coin. And here let me say, I would never impair the legal-tender character of the greenbacks. Keep that in mind; but when they are out of the way, then we have got back to our constitutional condition. If anybody has got greenbacks let them be legal-tender, but when they come in they must not go out again. Now, as I understand it, when I have exchanged my greenbacks there has been left all the way from eighty cents to par, in coin, in their place, because no man could take my greenbacks from me without giving me their equivalent. The average of the shrinkage would be but ten per cent. Who is not ready to take that? I expect we have got to take a shrinkage, but I would rather submit to it now than live on with this nightmare weighing upon us. The importer does not know to-day but that to-morrow a "ring" is to be formed to carry gold up from twenty to forty. I cannot see how the importers can live, or sleep at night, or how they can lay themselves out to build ships and engage in the commerce of the world again. If we wanted to live as the Chinese do, if we wanted to exorcise ourselves from the commerce of the world, then we might keep on in this way. But I do not want to live so; I want to see ships built on the seacoast. We opened a ship-canal (theoretically) yesterday; there is good navigation now, by that canal to Lake Ontario; a clear field for your ships to go to the sea. I want to see that day come when commerce shall spread her wings again for every sea. Can you do it as monetary affairs at present exist? They told us two years ago in Boston that they could not do it. This fluctuation from sixty to twenty, and from twenty to sixty per cent. in our currency is what, as merchants and business men, or as farmers, we cannot stand. If I am a swollen man to-day in commercial affairs, if I am puffed up like a bladder to my utmost tension, so that the least squeeze will burst me, then I cry out and protest against contraction. We have a good many of that class among us, but the sooner they are burst the better. I think it immoral to hold the country in an attitude which encourages that sort of thing. It is against public morals to do it, and I trust that this Board of merchants will not take the back track; but will repeat its utterance: "Back to the national standard; back to the standard of the world; let Congress devise the ways and means as best it can."

Mr. LONEY : I heartily concur in the resolution of the gentleman from Charleston, but I should much prefer that the two resolutions that came from the Baltimore Board should be acted upon by this body. My friend Mr. KIRKLAND inadvertently stated that while these propositions came from that Board it had refused to indorse them. If that had been the case, these propositions would have had no business upon this programme at all. Mr. KIRKLAND being opposed to these resolutions, with his usual parliamentary skill, desired that they should come to this body without a vote, and that he might come here uninstructed. In that way he has been led into the error of placing our Board in a false position.

The first proposition is a distinct one, to repeal a special section of the national banking law. Now, I cannot for my part see what that has to do with the resumption of specie payments. There is a proposition here to give banks to the people, if they want them. My friend Mr. ROPES, from Boston, says that in certain parts of the country they do want them. My friend Mr. TAYLOR, from St. Paul, is willing to have a free banking law, and there are a number of other gentlemen here who are perfectly willing to have a free banking law.

Mr. TAYLOR, of St. Paul : I beg pardon ; I am in favor of a free banking law, in case of a resumption of specie payments.

Mr. LONEY : The other proposition is simply a proposition to repeal an obnoxious and vindictive law, passed for the purpose of driving out of existence certain institutions which before the war we all knew and had confidence in. That law being not for the purpose of reforming, but simply for the purpose of destroying those institutions, this proposition comes before this body, and I should like to have a vote upon it. Gentlemen have made a great many speeches, but there are only one or two propositions before the Board. Here are two distinct propositions, and if the gentleman would withdraw his substitute and allow these to come before the Board, I should be perfectly willing to sustain his resolution, after the house has acted upon them.

Mr. HASTIE : I want to have this question discussed. I do not wish to have any gentleman prevented from expressing his views, because, as I said before, I approach it with great diffidence, but I wish to have the subject settled by Congress.

Mr. HERBERT : It is with diffidence that I rise to speak upon a subject upon which the wisest and most able financiers of this and other countries have differed and will forever differ ; but as a delegate from the Baltimore Corn and Flour Exchange, I feel constrained to

express my views, even at the risk of being called a "shallow-minded person," by an honorable Vice-President of this association.

I do not believe, Mr. Chairman, that we can resume specie payments this year or next, or during the next five years, without ruin and destruction to nine-tenths of the merchants of this country. An honorable Vice-President has intimated that those persons who differ from him are "shallow-minded." I say to him, perhaps if this body and Congress would follow his views, he and his friends might wish they had kept in a little more shallow water; they may get in a little too deep.

As I said before, Sir, I approach this subject with a great deal of diffidence; but, as a delegate from Baltimore, I want to be put upon the record as having said something here, for fear that when I reach home I may be accosted by some old gentleman, as was a man who went to the Mexican war. When he came back to his county, some one met him and said, "How many Mexicans did you kill?" He said, "I didn't kill any." "Well," said the inquirer, "if I had gone that far I'd have done something, anyhow." (Laughter.)

The debt of this country is two thousand millions of dollars, I believe; and I do not believe that with such a debt as that we can return to specie payments; and I do not believe that any legislation upon the part of Congress would have a beneficial effect at this time. The honorable gentleman from New York, (Mr. OPDYKE,) who told us that political economy had been his study for twenty-five years, said yesterday, "Let the country grow up to the circulation, and then we shall have specie payments." I believe that is the true doctrine, and that no action on the part of this Government will have any beneficial effect in hastening the return to specie payments. The Government might pass some act, and the first thing we should know, that great money centre, which one honorable gentleman from New York boasted the other day was independent of all the rest of the United States and all the rest of the world, would get up a panic, and bring ruin upon the mercantile interests of the country. I want to be put upon the record, gentlemen, as being opposed to a return to specie payments. (Laughter and applause.)

Mr. LONEY: If this subject is to go to a Committee, I do not think it is worth while for us to discuss it until that Committee shall report. Therefore, in order to bring this subject up before this body again, and continue the discussion, I move to lay the motion to refer to a Committee on the table.

Lost.

Mr. CHITTENDEN : I should like to suggest a substitute for the proposition, which, it seems to me, we can all safely agree upon, and I make the suggestion, because I believe that it will be very difficult for us in the conclusion of the debate to agree upon any but a very general proposition. I would move as a substitute for all the propositions upon this subject, something like the following :

WHEREAS, The future prosperity of the American people depends upon the wisdom of Congress in dealing with the financial question, therefore,

Resolved, That it is the duty of Congress immediately to devise such modifications of the banking system, and such measures for the suppression of speculations in gold, as are calculated to restore and maintain the credit of the Government, and permit a return to specie payments, with as little delay as is consistent with the commercial and other interests of the country.

My simple object in proposing this substitute is to call the attention of the Board to the perfectly well understood fact, that this subject is one upon which no unity of action can be anticipated, and when those gentlemen who have not expressed their minds upon it are ready for the question, we must at last come to some such general conclusion as this. I will not detain the house but a moment. I did not intend yesterday, when I rose, to speak two minutes. I simply desired to say that there was no unity of action to be expected from any debate on this subject, however protracted it might be, and that it was only safe for this body to adopt some general recommendation, calling upon Congress to devise such measures as in its wisdom it might be able to do, for a new and comprehensive financial arrangement. I think this will be apparent if gentlemen will refer to the proceedings of this Board last year. They have there in print a recommendation to the Secretary of the Treasury, that no more gold should be sold. Well, he has done nothing but sell gold all the year. This Board, I take it, does not wish again to make any recommendation to any department of the Government, or to Congress, so directly opposed to its action. Its dignity and its influence on the country depend upon a wiser and more judicious policy in respect to a question of so much magnitude as this. Moreover, I hold that the time is at hand, just now, when Congress is about to convene, when it becomes the great question which more affects the American people, North and South, and has more to do with their prosperity during the next fifty years than any other, and I hold that the utmost that this voluntary body,

or any other body, or any number of bodies of private citizens can do on this subject, is to impress upon Congress its absolute duty to take up this great practical question, and to leave all its selfish partizan and political questions alone. The financial interests of this country are paramount at this moment to all other interests. We are a free nation, with resources such as no other nation on the face of the earth has ever enjoyed. We have the enterprise, activity and vitality necessary to develop these resources, and with wise and honest legislation we shall certainly succeed.

Now, Sir, I never in my life wrote a resolution for any such body as this ; I do not ask you to adopt one single word of my proposition, but unless my common sense is very small, unless my knowledge of the country is ignorance, I say that the sentiment and the only sentiment that we can safely utter, the only impression that we can safely aim to make upon Congress is, that it is its duty to devise a comprehensive financial system for this country, adapted to its future prosperity. In that view, I offer this resolution, and hope that it may be modified so as to meet, if it does not now, the general approbation of the Board.

Mr. GANO : I want to make a suggestion, which it seems to me will meet with the approbation of the Board. It is, that the proposition of Mr. CHITTENDEN be withdrawn, and that the proposition to refer, be amended so that a Committee be appointed, and that each individual in the house have the privilege of speaking once upon the question ; and that all the propositions and resolutions be then referred to the Committee, who shall report at the proper time. I believe that will meet the approbation of Mr. CHITTENDEN, and of every one else here.

Mr. CHITTENDEN : I accept the suggestion.

The PRESIDENT : That would not be in order. After a subject has gone to a Committee the discussion must go on before the Committee itself. The true way is to keep the question before us until those who wish to discuss it have had an opportunity, or until the house, being satisfied with the discussion, shall order in such a way that there can be no debate about it, and thus put an end to the discussion, in some way or other.

Mr. GANO : I want to say another thing in this connection. At the proper time, I propose to offer a motion that a copy of the proceedings of the Board with reference to the subject be promptly prepared by the Stenographer, with all the propositions, the speeches,

and the report of the Committee, to be laid before Congress in pamphlet form.

Mr. STRANAHAN: I suppose, if we should order the Committee, it would then be competent for any gentleman to present a proposition to be referred to that Committee. In that way, the sense of the gentlemen who have spoken would go to the Committee, and upon its report I suppose we should be able to continue the discussion, if necessary, or bring the whole debate to a close.

Mr. GRUBB: I am unqualifiedly in favor of Mr. CHITTENDEN's resolution, with this proviso; that it be confided to a Committee to take it in charge and have the matter in their hands. I believe that we have now reached a point where we may safely leave the matter in that way.

Mr. CULLEN: I did not anticipate making any remarks upon this financial question. It is something that I must admit I am perfectly ignorant of. I have not read anything on political economy, except ADAM SMITH's "Wealth of Nations," since I was a young man,—which was many years ago; but I do not think it is necessary that I should now be perfectly conversant with all the views which have been advanced by the greatest financiers of the past, in order that I may have an intelligent idea of the present financial condition of this country. As to referring this matter to Congress, it seems to me the most extraordinary thing I have ever heard of. This Board has more financial ability in it than any Congress that ever sat in the United States. You are sent here for the purpose of instructing members of Congress upon the subject of finance; and it does seem to me the most remarkable thing in the world that you, practical gentlemen, you bankers, should be willing to intrust the finances of the nation in the hands of mere politicians; that you should be willing to permit them to waste the time that properly belongs to the nation, and the money of the nation, in discussing questions of which they really know nothing. I therefore hope that the gentleman's proposition will not pass. If you are not able to suggest anything practical, let the matter forever rest, for you may rely upon it Congress will not do it.

I do not admit, that because they are lawyers they are not good financiers, for the eminent Chief Justice of this country is the man who preserved your credit during the greatest war that was ever carried on in any country; and the great lawyers of the world have made the great financial writers of the world. But, Sir, Congress has no CHASE. It has not the ability, and in the absence of it, it becomes your duty

as practical men to suggest to Congress what the commercial interests of the country demand.

Mr. KIRKLAND : The resolution which I offered looked to precisely such a proposition as Mr. CHITTENDEN has presented to this body. I therefore hope that other gentlemen will prepare propositions, and that after this subject has been fully discussed, the Committee will eliminate from them all, some such general paper as will pass the Board by a constitutional majority. If we attempt to carry out my views, or any man's particular views, it will be difficult to get the constitutional majority for anything; and I do hope that this Board will not separate without agreeing upon some broad principle, which we can present to Congress, and that principle I think appears quite plainly in the paper prepared by Mr. CHITTENDEN. My resolution to refer to a Committee, was for the purpose of drawing forth just such suggestions.

Mr. CHITTENDEN : A single word. The gentleman from Chicago has suggested to me the propriety of striking out the words referring to speculations in gold. I have no objection to doing it, but I will state, for the information of the Board, that I put them in with an object. I am aware that a bill will be offered early in the session of Congress, by one of the ablest members of that body, drawn with great care, with a view to suppress speculations in gold, by taxing all illegitimate speculations very severely. I agree that probably it is not possible to succeed in doing that, and I am willing that those words be omitted.

The question was then put upon the motion to refer to a Committee, and it was carried. The number of the Committee was fixed at seven.

Mr. HASTIE : I move that my resolution may be placed before this Committee.

Agreed to.

Mr. CHITTENDEN made the same motion in regard to his resolution, and it was passed.

The following resolutions were also presented, and referred to the Committee :

By Mr. PARR :

Resolved, That the sense of this body is opposed to any expansion of the currency : that the legislation of Congress should be steadily towards contraction, and look towards as early a resumption of specie payments as practicable.

By Mr. HERBERT :

That Congress will consider :

1. The relief in part of the amount of per centum of the required reserves.
2. The abrogation of the three-fifths credit balance (on deposit in other national banks) reserve.
3. The prohibition of the payment of interest by national banks on creditor balances with them ; a source of great centralization of money power for weal or woe.
4. The enforcement of the redemption of the national bank notes that they may be sent back to their localities for reissue, thus to perform the circuit *in transitu* from issue to redemption, (and reissue,) absolutely necessary in giving due facilities by representative credit (bank notes) to a debtor, or growingly producing interest, and in circuit thus supplying, as counters, a tenfold increased utility ; we now having an abundance of currency if it be duly vitalized.
5. The requirement of reserves to be held within their respective vaults in money legal-tender notes and not in credit balances in other national banks at a distance.
6. The repeal of the ten per cent. tax on the circulating issues of State banks.

By Mr. TAYLOR, of Cincinnati :

Resolved, That it is the deliberate conviction of this Board that the resumption of specie payments can only be brought about through the contraction of the greenback currency.

Resolved, That this Board would repeat its recommendation to Congress to compel the national banks to hold the interest they receive from the Government in coin until their reserve in coin is equal to the reserve they now hold in greenbacks.

By Mr. HUGHES :

WHEREAS, The great bulk of existing obligations have been contracted on the basis of the depreciated value of paper currency ; therefore,

Resolved, That any sudden return to specie payments would result in exacting of the debtor class more than is honestly due, and would be an act of gross public injustice and immorality.

The memorial of the St. Paul Chamber of Commerce, presented by Mr. TAYLOR, was also referred to the Committee.

Mr. WETHERILL: I move that the Committee, when appointed, have leave of absence, and be requested to report on Monday morning, at ten o'clock.

Carried.

The PRESIDENT: I feel myself considerably embarrassed in constituting this Committee, and must therefore throw myself upon the indulgence of the Board. I will nominate, therefore, upon the Committee,

R. R. KIRKLAND, Baltimore,	
S. B. CHITTENDEN, New York,	E. D. HOLTON, Milwaukie,
J. S. ROPES, Boston,	WM. HOOPER, Cincinnati,
J. M. RICHARDS, Chicago,	W. S. HASTIE, Charleston.

Mr. KIRKLAND: I rise to a question of privilege. Inasmuch as you have seen fit to place me upon the Committee, and inasmuch as that appointment will necessitate my absence from this Chamber, I will ask leave to call up the twenty-ninth article on the programme, which has been specifically intrusted to me, and on which I have prepared a paper, which I wish to present to the Board. I think the subject-matter will not elicit much debate.

The order of business was postponed for this purpose.

XXIX. — MARINE APPRENTICES.

The passage of a law requiring all American vessels under register, to carry one or more apprentices, according to their tonnage, so as to secure a supply of efficient officers and seamen for our marine.

Mr. KIRKLAND: As early as 1854, a special Committee was appointed by the Baltimore Chamber of Commerce, of which I had the honor to be chairman. It prepared a report and resolution, which report and resolution passed, and in accordance with which a memorial went to Congress; at that time, our American shipping was in the height of its prosperity, and it seemed as if we were about to become the great overshadowing maritime power of the world, in

the number of our ships and in the magnitude of our carrying trade. The difficulty growing out of the want of efficient seamen was felt to be so great by the shipping interest of the country, that relief was asked of Congress. At that day, there was an old-fashioned idea of State rights, and very many persons who were disposed to favor an apprenticeship law, to provide apprentices for our ships, were opposed to the passage of such laws by Congress, because they thought it would be an interference with the rights of the States. Almost all the maritime States had apprenticeship laws upon their statute books, but they were inoperative, and ships were often detained fifteen or twenty days for want of crews to man them. Our report was drawn up in language that does not exactly meet the depressed condition of American shipping now, but no one can for a moment suppose that American shipping is to go on languishing until it becomes extinct. No one doubts but that the American people will press upon Congress the necessity of adopting some plan under which the shipping of America shall again find its way to every sea. That fact being established, then comes this imperative need of the shipping interest to have men properly trained to man and command.

With these few remarks, I will, with the permission of the Board, read the memorial and resolution which I prepared, as chairman of the Committee to whom the question was submitted by the Baltimore Board of Trade, and ask their unanimous adoption; as I believe that if a body composed of merchants, like this, goes to Congress, unanimously asking that means be taken to protect and foster the shipping interest, on which so largely depend all the other interests of the country, it will take such action as we desire, and as its wisdom may suggest.

The memorial, as sent to Congress, will be found in the Appendix.

The following is Mr. KIRKLAND's resolution :

Resolved, That the Executive Council be instructed to memorialize Congress in favor of the passage of a law requiring all American vessels under register, to carry one or more apprentices, according to their tonnage, so as to secure a supply of efficient officers and seamen for our marine.

Mr. WETHERILL : I desire, on the part of the Philadelphia Board of Trade, to state to the gentleman from Baltimore, that our Board feels great interest in this matter, and a Committee has been

appointed on the subject. It objected to the word "apprentice," because there seemed to be a difficulty in apprenticing to a vessel, on account of the changes of captain. It was thought better to strike out the word "apprentice," and insert "boys under fifteen years of age." If that modification is acceptable to the gentleman from Baltimore the wishes of Philadelphia are secured.

Mr. KIRKLAND: In explanation, I will say, that in 1854, when, as I have said, this subject was considerably discussed in our Board, one or two merchants, who had in early life been shipmasters, objected to the idea of compulsion; and others said, "What is the use of putting a boy on board a ship? He will run away." There must be some way to hold these boys when you get them on board ship. Any one who has been to sea knows that in foreign ports sailors are very often enticed away from one vessel to another, and the Consul is called upon to interpose. When they wish to desert again, they leave the ship and secrete themselves until she has sailed, and then throw themselves upon the Consul. Boys are peculiarly liable to be enticed away. We want something that will hold them. One reason why shipmasters will not take apprentices is, that when they have brought a boy up to a point of efficiency that makes him useful, he is very likely to be enticed away to another ship. I would propose that not only should the law hold the boys, but it should be made penal for any captain to take a boy apprenticed to another ship; and I would have provision made for the instruction of the boys. In this way the boys would be educated, and from among the competent and ambitious you would obtain your officers. Great Britain, Sweden, Denmark and Prussia have excellent apprentice laws. We can never have efficient American officers or seamen unless we provide some means by which we can train them up to this high state of efficiency. I take it that a competent American shipmaster is one of the highest types of men to be found in any profession. He must necessarily be so. In the first place, he has the custody of the lives and property of persons upon the high seas, who are dependent upon his intelligence, his judgment, and his calmness. He has to be a legislator. He must be supreme on his quarter-deck. He can brook no interference with his authority; and yet he must know enough of common law, and have sufficient common sense, not to be a tyrant.

Mr. WETHERILL: Does the gentleman conceive it to be practicable to apprentice to a vessel, with a liability to a change of captain?

Mr. KIRKLAND: I am not lawyer enough to say, but I want boys apprenticed, so that they can be held for a term of years. I do

not know how the technical difficulty can be met, but I believe that men of practical sense can meet it and obviate the apparent difficulty referred to.

Now, seamen or shipmasters cannot be made in a day. Gentlemen who live in the maritime cities know that it is a rare thing to see a boy going to sea, outside of the United States Government ships. The reason is, that there is no law to force captains to train the boys on board their ships, so that they may become shipmasters. I would have a law passed that would compel them to do this. Sixteen years old is rather late. A boy ought to be able, at eighteen or nineteen, to fill the place of second mate. Some of the most intelligent and efficient shipmasters have been second mates at nineteen and captains at twenty-one. The boy wants to go to sea early, and he is very useful.

This subject is one of vast importance, and I should dislike very much to have any technicalities interfere with a practical result from the presentation of this question by the Baltimore Board of Trade. Our memorial was merely intended to call the attention of Congress to the matter, that it might devise some means by which a boy may be apprenticed to a ship or a shipmaster, with an obligation on the part of the shipmaster, and some sort of obligation on the part of the boy. Under some such system we should gradually rear a class of efficient shipmasters and seamen on board our ships.

Mr. EGAN : I should like information as to how far this law would apply to our lake marine. It is very well known, that for about four months of the year our vessels are tied up in the ice, and it would not be convenient for our ships to take care of apprentices under these circumstances. If the gentleman would so modify his memorial as to have the proposed law applicable only to vessels upon the seaboard, I think the Chicago delegation will vote for it.

Mr. KIRKLAND : You will observe that the memorial applies only to vessels under register. I may be mistaken, but I believe the vessels in the inland coastwise trade are under license, and not under register. The words under register were put in to meet the point suggested by the gentleman from Chicago.

Mr. EGAN : The gentleman has answered my question. The information I desired he has furnished.

The resolution and memorial were then unanimously agreed to.

Mr. HOW : The Committee on Credentials has received a copy of the charter of the Augusta Board of Trade, and recommends that

that Board be admitted to membership in this body, and that its delegate be admitted to full privileges.

Agreed to.

Mr. COOK : If it be in order the Committee to whom was referred the twelfth, thirteenth, fourteenth, fifteenth and sixteenth propositions on the programme, will present two resolutions as a substitute for the various propositions, and I will read them.

The PRESIDENT : Will the house postpone the order of business, and give leave to the Committee to present its report?

Leave was granted, and Mr. COOK read the resolutions, which will be found elsewhere.

XX.—THE JAMES RIVER AND KANAWHA CANAL.

A continuous water-line of transportation through the State of Virginia, between the Mississippi river and the Atlantic ocean.

Mr. MONROE : The Committee, in the absence of the Chairman, have requested me to make their report. Before doing so, however, I have a series of resolutions, which I ask leave to read, in order that they may be referred to the Executive Council. I do not propose to read all the resolutions, but merely the one which I ask this Board to adopt :

Resolved, That this Board cordially indorses the following preamble and resolutions adopted by the Commercial Convention, which assembled in the city of Louisville on the twelfth of October last.

The resolutions were referred to a Committee of twenty-eight, consisting of representatives from as many different States, and that Committee, after a very full discussion, unanimously agreed to the resolutions which this resolution proposes to indorse. I would ask the suspension of the order of business, in order that these resolutions may be referred to the Executive Council.

Mr. WETHERILL : I would like to hear the preamble and resolutions that we are asked to indorse read, but we have no time. I call for the special order, and take exception to the reading of any other resolutions except those in reference to the subject regularly before us.

Mr. MONROE : I withdraw it.

The Committee to whom was referred the subject of the James river and Kanawha canal have prepared a report, a copy of which has been laid before the members of this Board, and I presume has

been examined by them. They have instructed me to make this report. I will not delay or trouble the house with reading it, but will briefly read the conclusion to which the Committee arrived.

“ With the foregoing statements as to the commerce of the inland States, which have been carefully and considerately prepared, and as to existing and contemplated means for transporting the materials of that commerce, your Committee come to the following conclusions :

“ That cheap transportation for the products of the interior of the country is not only a necessity, but is demanded by the highest considerations of public policy.

“ That to secure it, additional direct and continuous lines of water communication are imperatively needed, and should be provided between the Mississippi river and the Atlantic seaboard — not only as a means of freightage, but in order that requisite competition may be maintained between transportation lines.

“ That as one of these means of water communication, the route to be afforded by the James river and Kanawha canal, if extended to the Ohio river, as proposed, has special prominence.

“ That the work necessary for the completion of this canal on the scale deemed essential for its great objects is demonstrated by eminent engineers to be practicable of early completion and feasible.

“ That such a work would be national in its character and entitled to receive national aid to secure its completion at the earliest possible period.

“ That in order that it shall enure to the best interests of the country all private and corporate proprietorship in it should be removed (which removal should be a condition precedent to the grant of aid by the General Government,) and when the cost of construction as represented by the outlay of the State of Virginia and of the nation shall be fully reimbursed, that the commerce conducted on the canal shall be subjected only to such tolls as may be necessary for its repair.

“ As embodying these conclusions, it is respectfully recommended that the Executive Council of the National Board of Trade be directed to memorialize the Congress of the United States in reference to the subject of extending aid, by a loan of its credit to stand as a first lien on the work, to the James river and Kanawha canal project, as herein set forth, praying its consideration at an early day.”

The magnitude and importance of this subject impresses me and oppresses me with a weight of responsibility in presenting it to the consideration of this body, which I can hardly meet, and which I feel that I have not the ability to present, as it ought to be presented ; but I will, as briefly as the subject will permit, call the attention of the Board to some facts, hoping that each and every gentleman will for himself give the subject a due consideration, in which case we shall have no fears as to the result.

The fact that the means of transportation back and forth between the valley of the Mississippi and the markets of the East are wholly inadequate for the purpose, and that the cost of transportation is becoming so heavy and burdensome as in a large degree to paralyze the prosperity and industry of the country, has already been brought

out in the debate on this and other subjects, and I shall not weary the Board by repeating what has been said. The Mississippi valley, embracing an area of more than twelve hundred thousand square miles, of the most productive region on the face of the globe, lies a thousand miles nearer to the Atlantic seaboard than to the Pacific. The centre of that great basin, the Mississippi river, is a thousand miles, on the average, nearer to the Atlantic seaboard than to the Pacific; and even the eastern base of the Alleghany mountains, the western boundary of this great valley, is far more accessible to the East, through the gulf of Mexico, and thence east, than over the plains and mountains which lead to the Pacific ocean. Through all coming time, this vast region which is to contain a population of more than one hundred millions, and whose productions are materially to affect the commercial interests, not only of our country, but of the whole world, must seek its egress and ingress through channels connected with the East. The necessity, then, of providing adequate and cheap channels of transportation, is imperative upon the Government of this country, and needs no enforcement by argument before the intelligent gentlemen constituting this Board. The cost of transportation is now so great that the productions of this valley, especially its grain products, are worth, at the point of production, less than half their value at the place of consumption; and so all the return supplies, though not so bulky, are burdened with such enormous charges as to preclude the people of the West from buying, to any large extent, of the manufacturer or importer of the East, with the little profit they can make upon their products.

In regard to the present means of transportation, we have no safe and continuous water-line of communication between the Mississippi and the Atlantic seaboard. The mouths of the Mississippi are obstructed, and the obstructions need to be removed in order to get the best possible outlet for that stream. The water-line from the lakes through to New York is not connected with the Mississippi river by a canal at any point, save through the State of Illinois, which canal is used only to a limited extent in certain seasons of the year, because of its imperfections. The necessity of a water-line of transportation is therefore imminent, provided such transportation will furnish a cheaper outlet than is provided by the present means. Railroads are relied upon exclusively, through a large portion of the year, for the transportation of the products of the West to their Eastern market, and of the products of the East to their Western market. The comparison between railroad and water transportation has already been presented here, and I need say but little more on that subject.

I will remark, however, that that comparison was not between railroads and water transportation generally, but between canals burdened with tolls, and railroads. The water-line, however, which we ask, connects more than ten thousand miles of free steamboat navigation with the Atlantic, through the Ohio river, the James river and Kanawha canal, and the James river and Kanawha river, of which, as I shall show to this Board, only twenty-nine miles is wholly artificial; the rest is either now a free and sufficient channel or highway, or by improvements will become such.

I have carefully prepared tables of the cost of transportation from the Mississippi river, by this proposed water-line, by the way of the Wisconsin and Fox river improvement, on the supposition that that will become a fixed fact, as it ought to be, and by the way of the Gulf of Mexico, upon the supposition that all obstructions to free and easy access to the Gulf of Mexico will also be removed. I will not trouble the house by reading these tables, I propose to furnish them for publication.

These estimates are based upon what is generally regarded as well-established authority, only I have taken the outside instead of the inside cost. In regard to the transportation on canals, I have put it at five mills a ton a mile, which could only refer to the largest canals, based upon the report of the State Engineer of New York for the year 1868. From the mouth of the Mississippi to Charleston, eight hundred and twenty-five miles, at three mills.

I have been informed by one of the delegates from Cincinnati, that last winter one steam-tug towing sixteen thousand tons of coal passed from Pittsburgh down the Ohio river to New Orleans. I remember reading at the time in the newspapers, that the cost was a dollar and a quarter a ton, or only five-eighths of a cent a ton a mile. That, of course, is less than river transportation on an average. But from St. Louis, up the Mississippi river, and up the Illinois river, through the Illinois canal, (the navigation, except on the Mississippi not first-class, nothing like the Erie canal, or the proposed canal through Virginia,) wheat was carried last summer, by hundreds of thousands of bushels, for six cents a bushel, which was about five mills a ton a mile. I have put the cost of transportation, therefore, over this canal at five mills; on the river, at three mills.

These tables show that on the average from St. Paul to New Orleans, the cost of transportation over either of these three water-lines, will not exceed about twenty cents a bushel, to the Atlantic ocean. But it is of the central water-line that I wish particularly to speak. I will state, however, that I have here the report of the

State Engineer of New York, showing that over the two principal New York routes from Lake Erie to New York, a distance only about one-third as great as from the Mississippi river to the Atlantic ocean, the charges for transportation, for the last three years, have averaged three and three quarter times as much as the whole charge from the Mississippi river to the Atlantic ocean, and about twice as much as the whole charge from the Mississippi river to Liverpool. It is of the Central water-line, however, that I propose especially to speak.

This line starts at the mouth of the Ohio river. Central between the North and the South and between the East and the West of the Mississippi valley; the converging and diverging point of more than ten thousand miles of steamboat and river navigation. It extends eastward, up the Ohio and Kanawha rivers seven hundred and twenty-five miles; thence by canal and river improvement to this city, and thence to the ocean; the whole distance from the Mississippi river, at the mouth of the Ohio, to the ocean, being one thousand three hundred and thirty-five miles. To ascend from that point to the Wisconsin and Fox river improvement, and go through that improvement, the lakes, the Erie canal and Hudson river to New York, is nine hundred and twenty-five miles further. To descend from that point down to New Orleans, and thence round to New York, is more than fifteen hundred miles further, or more than double the distance. To descend the river to New Orleans, and thence to Liverpool, without going to New York, the distance is five thousand seven hundred and ninety-five miles; while by the Central line it is four thousand six hundred and ten, the Central line being the shortest, over that route to Liverpool, by more than eleven hundred miles; the shortest to New York, in comparison with the route by way of New Orleans, by more than fifteen hundred miles; and shorter than by the northern line, by way of the Wisconsin river, by over nine hundred miles. If you ascend the Illinois river and go through the Lakes, the difference in favor of the Central water-line is between eight and nine hundred miles.

Thus it is apparent that the whole central region of this country, and for two or three hundred miles north of this central line and a great distance below, and everything that comes into the Mississippi river by way of the Missouri and Illinois rivers, and down the Mississippi to the mouth of the Illinois river, has its shortest, cheapest and best outlet through this Central water-line.

As to the saving in the cost of transportation, it will be, on wheat, (which I suppose is the most familiar article to the minds of people

here; the difference on everything else will be in the same proportion) — the saving on the cost of transporting a bushel of wheat over this water line, as compared with any railroad transportation that can be had, will be at least forty-five cents. Now, it must be borne in mind, that this saving is a saving in the per centage of profit. The farmer in the West who can raise wheat for fifty cents a bushel, and sell it for seventy cents, (the difference between that and the price at the East being taken from him in the way of transportation,) who can save forty-five cents in the transportation, instead of making twenty cents a bushel, makes sixty-five cents a bushel on his wheat; and instead of the pitiable profit of two hundred dollars on a thousand bushels, his profit will be six hundred and fifty dollars. It is profit which measures the increase of wealth and the ability to buy; and just in proportion as the farmer makes this increased profit, will he have the ability to buy from the East their manufactures, their coal and iron, and their imported goods. So that, if the farmers of the West, by the reduction of the charges of transportation can save this sum, or any sum, it increases their ability to trade with the East, to the profit of the East as well as of the West.

There is another view which I wish this Board to take of the subject now under consideration. It is as affording competition with the Northern line, or any other line, that this measure becomes valuable, not only to the region of country using it, but to that which will not use it. It is a fact shown by the official reports year after year, — a fact known to almost every gentleman in this body, I suppose, — that in the early part of the season, when the pressure is not great, when the canals are wanting freight, they will take wheat as low as five, eight, or ten cents a bushel, and everything else in proportion; but in the fall, when there is a pressure upon the vessels and canals, these charges go up to more than double. The cost of transporting a bushel of wheat from the mouth of the Wisconsin river down to the mouth of the Ohio, and thence to the Atlantic, is only three cents more than to go through by the lakes to New York. Consequently, any attempt to raise their charges below the lowest paying rates three cents would drive the trade even from the doors of the Central line; but as you descend between the two lines, the competition is on more and more equal terms. There is a belt of country extending a thousand miles east and west — Ohio, Indiana, Illinois, and Iowa — to be contended for by these two lines on about equal terms. When the Central line is opened, the competition for that belt of country will compel both lines to carry freight at the lowest possible paying rates, and to enlarge and increase their facilities so as to be

able to carry at low rates. So that, in determining what the cost of transportation over these lines will be, the only question is, How low can they carry? because each will compel the other to carry at the lowest possible rates, and we at the West, and you at the East, will get the benefit of that cheaper transportation.

So, too, when the Northern water-line is closed by ice, as it is five months in the year, and more than that, in fact, to us at the West, the Central line will be open and there will be a competition with the Gulf route, if the obstructions in the Mississippi river are removed, as they ought to be, which will compel each of these routes to carry at the lowest paying rates. And it so happens, that when the Northern line is closed, the climate through which the Southern line passes will be no ground of objection, because it will be in the winter season.

[The allotted ten minutes having expired, leave was granted to Mr. MONROE to speak ten minutes longer.]

There is one other view of this question, that is worthy not only of the consideration of this body, but which by itself, if this water-line had no other merit, would demand its speedy completion; and this view is one which presses upon us at the Northwest far more than upon any other portion of the West. Gentlemen who have spoken on this subject have referred to it, as if this were some great gift to the State of Virginia, which they are called upon to recommend Congress to make. Now, I have only to say, that while I love Virginia, the home of my fathers, where six generations of my ancestors have been buried, I would not stand here to advocate this measure for Virginia alone. I am here to represent the State of Iowa; I am sent here to represent her; and that State, and every other State in the Northwest, has as great an interest in this question as Virginia. Our winters are long and severe; our plains are treeless; the question of fuel with us is as important a question as that of meat and bread. I have here a paper printed in the State where I live, giving the price of wheat and the price of coal which we buy and use for fuel; and it appears that coal rates from sixteen to twenty-two dollars a ton, while wheat is from seventy-three to ninety cents a bushel. It costs us from twenty to twenty-five bushels of wheat to buy a ton of coal, which we have to buy, because it is cheaper and more convenient than wood. That coal, after reaching Dubuque, is sent by railroad, at heavy charges, far into the interior, where it meets the wheat to pay for it, and where it takes from thirty

to forty bushels of wheat to pay for a ton of coal. Now, this improvement passes through the coal regions lying at the western base of the Alleghany mountains, from within the State of Kentucky into the State of Pennsylvania. The great coal regions of the country are located there; and through this portion of the territory, especially cannel coal, equal to the very best English cannel, and to the best Monongahela, free from sulphur in any great quantities, under a surface of some forty-five feet, in veins ranging from thirty inches to fourteen feet, can be mined and put upon the Kanawha river, as I have authority for saying, by the President of one of the principal mining companies on Coal river, at from two dollars to two dollars and sixty-two cents a ton. With this improvement completed, steamers towing five barges, each carrying four hundred and fifty tons can go down the Mississippi river, from St. Paul, or from Dubuque, up the Ohio, and up the Kanawha, and there discharge their freight. They will be three quarters empty, and they can carry back coal, as return freight, at two mills a ton a mile, and deliver it all along the Mississippi river at from four dollars and a half at St. Louis, to six dollars at St. Paul, being less than one-third the present cost of coal on the upper Mississippi — a saving of millions of dollars annually, in the article of fuel. The lumber region of that country is immense. The trees are, in fact, an obstruction to the settlement of the country. It costs ten times as much to clear an acre, as it would to buy one out on the prairies, and carry out lumber on the railroad and fence it in. Hence that country has, to a large extent, remained a wilderness, because of the immense quantities of timber there, which we need on the upper Mississippi; and we want to supply the lower Mississippi markets, in order that the lumber region of Wisconsin may come to us instead of being exhausted as it is by sending such immense quantities below, to the prairie country.

There is another view. The Northern water-line, when completed, as it ought to be, and the Southern line, when the obstructions are removed from the Mississippi river, so as to make it available, as it ought to be, would both pass outside of our own country, and in time of war would be liable to interruption by the enemy. But this line is a Central route, through the heart of our own country. Every foot of it will be safe from any interruption, in time of war, by enemies reaching the seaboard. There is a continuous water-line all the way, inside, without going into the Atlantic; up Chesapeake bay, through the Delaware, on to New York, and up the Hudson, so that the supplies of this country, without the possibility of interruption, can be carried East, and our return supplies obtained at the West,

just as though we were at peace with all the world. As a military necessity, then, this line is more important than any other.

There is one other point which is worthy of the consideration of patriots and statesmen. To this Central water-line the North and the South will come to reach the seaboard at the centre. We shall meet together in trade, in commerce, and the same result will be produced in removing prejudices, and making the people of the North and the South, the East and the West, love each other, as has been produced I am happy to say, in such meetings as this, which I hope may be continued, if for no other purpose than to engender friendly feelings between the people of all sections of our common country. (Applause.) It is the best reconstruction act, and the one which is to bring us all together and make us all stand upon one common platform, because we shall all have one common interest. (Applause.)

There is a recommendation in this report deserving of peculiar attention, as it meets an objection that I have heard whispered in regard to this matter. It is said, this is an attempt to plunder the public treasury, in order that a few individuals in the State of Virginia may grow rich as corporators. Sir, the State of Virginia and her citizens authorize me to say that there is no foundation for such a statement. This memorial which you are called upon to adopt, contains a suggestion that this line, when completed, through the aid of the credit of the Government, shall be used first for the payment of the interest and the return of the principal, then for reimbursing to Virginia her outlay, and then it shall be forever free. No stockholder, no individual, shall be allowed to realize one cent of profit, as such, but as a citizen of a common country, he will share with all the rest in its benefits. It is upon these terms that the State of Virginia, and the citizens of Virginia, who have expended nearly twelve millions of dollars in this enterprise are willing and anxious that this national and patriotic undertaking may be carried out. They are willing that their hands shall be tied, that they shall not be allowed to reap any special profit or advantage, but to come in with all the nation and share in the general advantages only.

There is another matter to be borne in mind. The Erie canal, when it was under construction, asked help from the Government; it did not get it. It asked help from the West, and did not get it. It went on, however, and after it had been once completed and found to work, it was reconstructed. And now what result does that enterprise present, as a financial experiment? On the thirtieth of September, 1866, the Erie and Champlain canals, which were the two canals which brought trade into and through the State of

New York, had paid the cost of their construction, the cost of repairs, the operating expenses, the cost of reconstruction, with interest on the whole, at seven per cent., and left in the treasury of the State of New York the sum of thirty-eight millions of dollars, as shown by the report for the year 1868. But I have before me the reports of the other canals, which were constructed for the local benefit of New York, by which it appears that they had not paid the cost of construction, interest, and so on, but had fallen short, up to that time, forty-five millions of dollars; leaving the whole canal system in debt, three years ago, about seven millions of dollars. Since then, this through system has added to the surplus more than ten millions of dollars, so that that canal stands now the property of the State of New York, having built itself, built nearly six hundred miles of other canals, for the local benefit of New York; and it presents itself the richest prize the world ever saw, to the State of New York, with an income of three or four millions of dollars a year, and we of the West must continue to be taxed that New York may have that profit. We cannot complain of New York. It says to us, "True, we make a profit of four millions a year, but suppose we had not built the canal, how would it have been with you? It would have cost you twenty millions a year more to transport your freight over the railroads; we make four millions, and you save twenty." But now, when this enterprise goes before Congress and asks the help of the Government, its friends are willing that Congress should see to it that when this canal is completed, no profit shall come to individuals, but go to the whole country at large.

Will this canal make a profit? Allow me a few words upon that question. The Erie canal had, for some time, a lingering and sickly existence. It is only since its enlargement that it has been very profitable. It collects more than half its tolls in the months of October and November. It does not carry half its freight in those months, because it charges higher when crowded and could afford to charge less. When that canal is closed, this canal will remain open. I had a talk with a gentleman who has been engaged in transportation on the Erie canal, and he told me how it operated. He said that in the spring of the year, as soon as the canal is open, he goes on to the canal with his boats, but he cannot get as much business as he wants, because the freight has gone forward and the merchandise has been returned, before the canal is opened. Along in the fall, he gets just as much as he can do, but he cannot make more than three round trips before it becomes unsafe to venture a fourth. Then he, his boats, his horses, and his hands, are compelled to lie idle for five months. It will

not be so on this canal. There will be employment all through the busiest part of the season. Up through the Mississippi river to Dubuque, the navigation is open ten weeks in a year, on an average, when the Erie canal is closed. It is practically open two weeks more than that, because, after the tenth of November, no one would think of sending grain by that route, at the risk of being frozen up, when it would cost but a cent and a half more a bushel to send it down the river, when it will be certain to go through without obstruction. When this Central water-line is completed, we shall not be at the mercy of any canal or railroad at any season of the year. The rule of corporations is not to serve the public at the lowest prices they can afford, but to get from the public the most they can extort. The Central line would do the same, no doubt, if it had the opportunity; but we can, in the first place, secure a competition, both in the summer and in the winter; in the summer by the Northern line, and in the winter by the Southern line; in the second place, it is in the power of Congress to say, and it should say, and will say, "Your tolls, until this debt is paid off, shall not exceed a certain low rate," (say two mills a ton a mile, not even half as much as the Erie canal charges;) "when the debt is paid, the canal shall be free." At that rate, the Engineer estimates that the net income of this canal will be six and a half millions, after paying all expenses. Let us suppose that it is five millions, and that it will require forty millions to complete it. That five millions will pay the interest on the loan, and one million eight hundred thousand dollars a year towards a sinking fund, and pay ten per cent. dividend, if Congress permit it, and in less than fifteen years, the whole debt will be wiped out. The State of Virginia and the stockholders, owning ten millions, should be required, if the public wants it, to surrender all their stock, at a fair compensation; or, at all events, not to lay more tolls than will pay fair dividends. Half a mill a ton a mile will do it. Then Congress should reserve the right to guard and protect all these reservations, so that they shall not be violated with impunity. The friends of this work ask nothing for individuals, they ask no profit for corporations; they ask nothing because it will benefit Virginia particularly; but they ask for this work because they believe it to be demanded by every consideration of public policy, of patriotism, and of statesmanship.

But there is one other view, and only one. The gentleman from Chicago said the other day, in illustration of the way railroads are managed, that when you estimate the cost of transportation by railroad, you are not limited to the amount which they can carry for, but the amount which they can extort. Railroads are no worse than

other corporations, or than individuals. They all act upon the same principle. Now, while wheat is brought from Dubuque to Clinton, in Lake Michigan, two hundred miles, for eighteen cents a bushel, it is carried to Peoria, four hundred miles, for six cents a bushel. And why? Because there is a water-line running along side of the railroad. We want water-lines therefore, not only to carry freight cheap themselves, but to compel railroads to carry cheap.

There is another thing. Railroads discriminate unjustly and extortionately against some sections and some interests in favor of others. From Fort Dodge to Chicago, about three hundred and fifty miles, they charge forty cents a hundred. From Fort Dodge to Dubuque, less than half-way, they charge thirty-five cents, and so on, in the State of Iowa, in order to compel freight to go to Chicago, although the farmer might find a better market on the river. This they will continue to do until there is competition. Canals cannot do that. A canal is as free as the ocean to any man who has a barge or steamer, and can navigate it. A company owning forty boats can have no advantage over a man who owns only a single barge. He can go on the canal, pay his tolls, and go through it, and a company can do no more. The tolls are regulated by a company, who will make them low enough to compete with other lines. The competition in transportation will always keep down the charges of transportation; the competition of water-lines will always keep down the charges on water-lines, and such lines will always compel railroad companies to carry at their lowest paying rates.

I say, then, in conclusion, that while the Government of the United States is called upon to give aid to this enterprise by the loan of its credit, it will be called upon to advance only the interest which will accrue while the canal is being constructed. We have the Engineer's report, endorsed by Mr. LATROBE, of Baltimore, that the whole work can be done in four years, after which the canal will pay its own interest and its own cost, and the Government will never have to pay another cent.

One other point, which I omitted in its order. I heard a gentleman argue here, that while he was not disposed to vote for any aid to a water-line which was to be artificial, yet he regarded a canal round the Falls of Niagara as only an improvement of the St. Lawrence and Niagara rivers,—an improvement of a continuous water-line. So that, though it is wholly a canal he seemed to think it came under the head of "improvement." Apply that principle here. You start, we will say, at Lawrence. You pass down the Kansas river to the Missouri, down the Missouri to the Ohio, up the Ohio, up the Kana-

wha, up the New river and Greenbrier, by lock and dam, and you start a canal from the waters of the Greenbrier river, which are made navigable down to the Ohio, and that canal is but twenty-nine miles long before it reaches the waters of the James, or a sufficient quantity of water to float any barge or canal-boat that can go along the other part of the line. It is true that the river supplies in some places the canal; in other places, the canal locks down into the river, and the river is used. Upon that principle, therefore, this would be an improvement of river navigation, with the exception of twenty-nine miles, which is not a great deal more than the length of the canal round the Falls of Niagara. We say, then, to these gentlemen who undertake to draw these nice distinctions, that if they will look into this matter they will see that they have only to improve the navigation of the Kanawha river and the James river, down to Richmond, and twenty-nine miles of canal literally mingles the waters of the West with the waters of the East.

Eighty-five years ago, GEORGE WASHINGTON, with prophetic vision saw and predicted, when all the country west of the Alleghanies was a wilderness, that this would form the easiest, cheapest and best outlet for that country. He urged those views upon the then Governor of Virginia, and a company, at his instance, was incorporated, of which he was made President, and the enterprise was started. I will not stop to inquire why it was not completed. There are many good reasons which might be given, which do not affect the merits of the case. We are now called upon to say whether the wisdom of that great statesman shall be imitated by us, and whether, at this day, when what his prophetic vision foresaw has come to pass, the invaluable country to the west of us may possess the shortest, best and cheapest outlet to the Atlantic ocean.

I thank the gentlemen for their courtesy and kindness, and take my seat.

Mr. GROVER: I rise to what I believe to be a privileged question. Should it be so considered by the Chair, I would ask for the postponement of the present business, that I may introduce a communication.

A few days ago, the Board accepted an invitation to visit City Point and Petersburg, on Tuesday next. I am just in receipt of a communication from the President of the Board of Trade of the city of Norfolk, asking that the National Board will extend its trip to that city. I have authority for saying that the President of the consolidated lines of railroad is prepared to tender to the Board extra trains, for that or any other purpose which may be desired.

Mr. HOW : I move that the invitation be accepted, and the thanks of this body tendered to the citizens of Norfolk.

Carried.

Mr. VENABLE : I rise to a similar privileged question in behalf of the Board of Trade of the city of Petersburg. They have heard with much pleasure that this honorable body will pay them a visit on the excursion tendered by the citizens of Richmond, and through me, as their representative, they take pleasure in offering the hospitalities of Petersburg. It will be their endeavor to give you such a reception as you deserve, during your stay in their city.

I am also authorized, in behalf of the President of the continuous lines of railroad from Norfolk to Bristol, to tender to this body the courtesies of that road from Norfolk to Bristol.

The proffered courtesies were accepted, and the thanks of the Board returned.

Mr. WALBRIDGE : I move that the Board take a recess of fifteen minutes.

Carried.

The Board reassembled shortly before two o'clock.

Mr. WALBRIDGE : In view of the magnitude of the question, and in order that all interests may be represented, I move to reconsider the vote by which the number of the Committee on Finance and Currency was fixed at seven, that it be increased to eleven.

The motion to reconsider was carried.

Mr. WALBRIDGE : I move that the Committee consist of eleven.

This motion was carried, and the President announced the following additional members of the Committee,—

GEORGE OPDYKE, New York,	J. C. GRUBB, Philadelphia,
J. W. TAYLOR, St. Paul,	C. S. CARRINGTON, Richmond.

The PRESIDENT : The order of business will now be resumed. The question before us is the resolution submitted by the gentleman from Dubuque, in reference to the James river and Kanawha canal.

Mr. CARRINGTON : I do not wish to enter into the discussion of the general merits of this improvement, but to submit a few remarks in connection with it, from a local stand-point. This seems to be proper, in view of the interest of the State of Virginia in this improve-

ment. I say in the outset, that before the vote is taken upon the report of the Committee, I shall be gratified if this body is in possession of all information of a local character which it deems important in influencing its judgment. Whether this information has reference to questions of engineering or to the interest, feeling and views of Virginia in its construction.

This Central water-line extends from tide-water at Richmond to the Ohio river, at the mouth of the Kanawha. Its length is four hundred and eighty-one and a half miles, of which two hundred and twenty-six and three-quarter miles will be canal, one hundred and sixty-nine and three-quarter miles slack-water and eighty-five miles open river navigation. Of the slack-water navigation one hundred and twenty-three miles will be west of the Alleghany, and forty-six miles and a fraction east of these mountains.

The people of Virginia, through their Legislature, have for more than thirty years past indorsed this improvement as practicable. The State has expended ten million four hundred thousand dollars, and private citizens two millions of dollars in its construction. It is represented by a company with a capital stock of twelve million four hundred thousand dollars, held by the State and citizens, as just stated, except that seven million four hundred thousand dollars of the stock of the State is preferred stock.

This line was surveyed under the orders of the General Government, and I am informed that the report of the officer executing this order is on file in the War Department.

The Engineers of this company have been among the ablest Civil Engineers of the country. Of these I mention General ELLETT, whose high reputation is, I am sure, well known to this body. Also Judge WRIGHT, of New York, at one time an Engineer of the Erie canal, Mr. FISK, of the same State, who had a great reputation in our State, and who surveyed a portion of this line west of the Alleghany mountains, Mr. GILL, General GWINN, and others, whose names do not now occur to me. Among these Civil Engineers I hope that I may be pardoned for mentioning the present able Engineer of the James river and Kanawha company, who has been connected with this improvement, either in a subordinate capacity, or as its Chief Engineer, for more than fifteen years.

The greatest engineering difficulties on this line of improvement are encountered in its passage of the Alleghany — connecting the waters of the East and West. The only plan formally recognized by the James river and Kanawha company for feeding this summit level, is from a system of reservoirs. This plan was at one time the subject

of much investigation and discussion, but was accepted, and has repeatedly received the sanction of the Legislature by large appropriations for the construction of the improvement. Indeed all expenditures made for its construction were made upon this plan. I venture to say that it is demonstrated to be practicable in the report of the Chief Engineer of the company, which has been placed in the hands of a large number of the members of this body.

The plan of passing the summit of the Alleghany through a tunnel, now proposed by the Chief Engineer, is fully explained and enforced in his report to which I have referred, and in the report of your Committee. The depressions in the mountains will allow at least eight short shafts, or one for each mile of the tunnel, to be used in aid of its construction. It will pass in its entire length through solid slate or sand-stone rock. I state this thus confidently because the tunnel through the same mountain for the Chesapeake and Ohio railroad is about one mile distant from the proposed water-line tunnel, and passes for its entire length through this slate and rock. The question of the practicability of this tunnel was submitted to BENJAMIN A. LATROBE, of Baltimore, one of the first Engineers of this company. This distinguished gentleman expressed the opinion that this tunnel was not only practicable, but that it could be finished, and in condition for use, in four years from its commencement. He further said that he never felt, in giving a professional opinion, more perfect confidence in its soundness and in the certainty with which the results predicted would be realized.

The passage of the Alleghany through a tunnel commends itself to approval, because it will be two hundred and twenty feet lower than the summit-level fed by reservoirs; it dispenses with two hundred and twenty feet of lockage on each side of the mountain, and with forty-four locks, saves four miles in distance, and is fed directly from Greenbrier river, and puts the question of a supply of water on the summit-level for vessels of five hundred tons burthen beyond dispute. Another great advantage will be found in the fact that this level will always be navigable, as the water in the tunnel will be protected from freezing. This subject received the particular attention of the Committee, and the conclusion just stated appears in their report.

While referring to these practical details, I may state that the locks on this water-line will be two hundred and fifty-four in number. The delay of transportation on account of these locks, is capable of almost exact computation. I will only say in this connexion, that if a rate of travel be conceded of four miles an hour on the canal portion of this line, which is certainly most reasonable, as steam will be used,

freight will be transported from Cairo — the geographical centre of the Mississippi valley — to Hampton Roads in less than nine days. This point will also be twelve hundred miles nearer to New York than by the Gulf. But, Sir, I shall adhere to my purpose not to enter into the discussion of the general merits of this improvement.

It will now give me pleasure to give any information in my possession, with reference to this work, which any gentleman may wish and will indicate.

Mr. DORE: I understand the gentleman to say that this route has already been surveyed by Government Engineers with reference to the tunnel.

Mr. CARRINGTON: No, Sir. The plan of the Government Engineer was to feed the summit-level from reservoirs. The location of this summit-level was recommended by this Engineer. This was in 1827. With reference to the tunnel I said, that profiles and other necessary papers in connection with it had been submitted by the present Engineer of the company to Mr. LATROBE, one of the most distinguished Civil Engineers of this country, and that he approved it, indorsing its practicability, and said that it could be finished and made ready for service in four years. Mr. LATROBE also expressed the fullest confidence in the correctness of this opinion.

Mr. DORE: I would like to ask another question right here. Has the gentleman any idea that this canal could be made to answer the desired ends by any other means than by a tunnel?

Mr. CARRINGTON: I have, Sir: either by the adopted plan of feeding the summit-level from reservoirs, or by the proposed plan of a tunnel through the mountains.

I ought not to conclude, Sir, without some brief reference to the interest and views of the State of Virginia in connection with the extension of this water-line. This State has no sectional feeling on this subject. We will all rejoice in the incidental benefits resulting to the State from this extension. These will certainly be very great. This improvement will penetrate a portion of the great iron territory of the State, and also the great coal fields of West Virginia — uniting these by the cheapest transportation. It will also make a great highway of commerce through the centre of the State, and build up her cities and her wasted country. This development of the long buried mineral wealth of these States, and this creation of commerce, will bring to us population and capital, and give a greatly needed diversity to the pursuits of our people. These great incidental benefits are legitimate subjects of gratification. But, Sir, Virginia will also

rejoice in the fact that this highway will be a great national highway, full of blessing to the valley of the Mississippi, and to the Atlantic seaboard, and to the whole country.

[The ten minutes having expired, a motion was made for the extension of the time, and it was granted.]

As to the conditions upon which this work should be completed, I have stated the expenditure of Virginia in its construction, and the interest of the State in the capital stock of the company in charge of it. This interest, in connection with West Virginia is controlling. I do not, Sir, speak by authority, but as confidently as if the people of these States were all here present and assenting, that they are willing to tender this whole line to the country, and to say to the Government, construct it; make it a great water highway for the benefit of the whole country. Let it be held forever in sacred trust for its commerce; and when the money advanced by you in its construction is all returned, principal and interest, then let this commerce passing over it be subject to no other tolls than those necessary to keep the line in repair. I believe that Virginia and West Virginia would accept this trust — no doubt would prefer this — and that they would sacredly discharge it. If, however, this is proposed, I doubt not that these States will agree that all of the States more immediately interested in this great work shall appoint these trustees, who shall have charge of its construction as well as its future control and management.

I will not detain you longer, and I would have said nothing, but it seemed reasonable that a statement of this local character should be expected before the vote was taken on the report of the Committee.

Mr. HUGHES : The object of the proposition pending before the Board of Trade is, to open a line of navigation between Virginia and that Northwest which was once a part of her domain. The details of freight prices and of distances have been elaborately treated in the report of the Committee of fifteen, and in exhaustive documents published by the canal company. They need not be further dwelt upon. But it is proper and will be interesting to recall some of the historical reminiscences which are germane to the subject, and which illustrate the motives of Virginia in now urging this enterprise upon the favorable consideration of the country.

A life has lately appeared of **GEORGE ROGERS CLARKE**. He was the officer in command of the Colonial troops of Virginia, on the waters of the Ohio, before the war of the Revolution. Virginia had

settlements in what is now called Kentucky, the "dark and bloody ground" of massacre and battle; and the troops were there to defend the settlers, of whom were BOONE, the eldest FLOYD, SHELBY and CLARKE. When this colony rebelled against the crown, CLARKE had it in his power to use his forces for the cause of the King or of the Commonwealth; the troops being ready to follow their General in the direction in which he should lead. Tradition has it, that CLARKE was offered a title of nobility if he would adhere to the King's cause; he declined the glittering boon. He adhered to the fortunes of Virginia. He was a native of our State; his troops were recruited here.

He prosecuted, with few men and scant means, the war against the Indians, the French and the English in that quarter, during the period of the Revolution; and at its close was master of the whole country stretching indefinitely west of the lakes, and lying south of the lakes to the Ohio. CLARKE was a citizen of the county of Kentucky, then part of the colony or State of Virginia. In consequence of his operations, the vast country which he conquered and held became part of Virginia by the treaty with Great Britain of 1783 — the Treaty of Peace.

In the course of time, Virginia encouraged Kentucky to erect herself into an independent State; and thus Kentucky ceased to be a part of this ancient Commonwealth. Before this severance of mother and daughter, Virginia, in order to induce an union of all the colonies under one general organization, ceded the country conquered and held by General CLARKE and the troops under his command, to the United States, organized then under the old Confederacy.

The magnificence of the donation was not then appreciated by the beneficiaries who received it. But the statesmen of this Commonwealth, whose persuasions induced the cession, fully understood its importance; and they expressed their sense of it in language which then must have sounded extravagant indeed. Then, steam was unknown as a motor upon land or upon water. Then, there was not a railroad in the world, or even in the dreams of the most visionary enthusiast. Then, there were no canals in England, and but one long canal in Europe. The genius of LOUIS the Fourteenth had projected and executed the great canal *du Midi* of France, connecting the waters of the Mediterranean sea with those of the Bay of Biscay by an artificial channel several hundred miles long, supplied in its upper levels by great artificial reservoirs — a work which has been in successful operation for two hundred years; which was for an entire century unknown to the civil engineering science of Great Britain;

and which, at this hour, is one of the most successful, useful and productive works of the French Empire. Then, the expedient of graded roads was unknown, or at least unemployed in our country, and access to the West was by means of primitive horse-paths which ran up the mountains at right angles with their bases, and down again on the opposite sides, the descent being easier than the ascent. Then, the great range of rock, which, at the crossing of the Niagara river, produces the frightful Falls that are so celebrated for their grandeur, interdicted navigation between the ocean and the lakes, and rendered a portage necessary even for batteaux and canoes. Then, the mouth of the Mississippi was closed to free use by a foreign possession. These circumstances depreciated the gift of Virginia to the Union, in the estimation of ordinary minds. But they were seen by her own statesmen to be of but temporary influence; and the motive of Virginia in the gift was as great as results have rendered the gift itself stupendous in reality. In 1803, a Virginia President opened the mouth of the Mississippi to the West by the treaty of Louisiana.

The application of steam-power to navigation on the Western waters in 1817 created a new era in Western development. The opening of the Erie canal in 1825 gave continuous navigation to the sea, and rendered the mouth of the Hudson the commercial mouth of the lakes, the upper Mississippi and the Ohio. The influence of the canal, in connection with that of the Western steamboat, developed the country ceded by Virginia with marvelous rapidity. But latterly railroads have come in vogue, which have scaled and pierced the mountains, bridged great rivers, and practically removed all physical barriers before the wheels of commerce. The telegraph has super-vened upon all this movement, and has annihilated time in the transmission of intelligence, and made San Francisco, Cincinnati and Chicago suburbs of New York. State lines are trodden out under the wheels of progress. Now, there is no such thing in commerce as a State.

The result is the development of the territory ceded by Virginia into commonwealths more prosperous, wealthy and progressive in all the elements of political greatness than any others in the world occupying a like area. The growth of Chicago and Cincinnati is a marvel in history, and has no parallel since the world began.

Virginia looks upon the result of her wonderful beneficence with the pride and pleasure of a noble and generous benefactor. She has no regrets for her agency in having prepared the conditions from which this mighty development has come. She is actuated by one only regret or selfish motive. That regret is, that the same "inter-jacent obstacles" to communication between herself and the great and

prosperous Northwest, which originally had some influence with her in making the cession of territory, still remain to bar her from intercourse with it. That selfish motive is a strong desire for the removal of these "interjacent obstacles," and for a participation herself in the prosperity of that region, which would be contagious if contact could be effected.

Her favorite means for effecting that communication has always been the canal which she has partly constructed. What a morning paper (the *Whig*) truly says of the present sentiment of our people towards that work, may be with equal truth said of their sentiment for the last fifty years: "the whole population of Virginia is an unit in regard to this great work, and there is not only an universal, but an almost painful solicitude on the subject." And the same journal truly adds, that "the recommendation by the National Board of Trade of this great enterprise to the fostering care of Congress will be hailed by all Virginia as a most welcome indication not only of the good will, but of the enlightened wisdom of the body."

Yes, the popularity of the canal in Virginia has survived all vicissitudes of public opinion and of civil revolution. It did not succumb to the mania for railroads. It did not wane during the calamities of the civil war. This popularity has survived a bloody revolution; and is as great to-day as when WASHINGTON and MARSHALL first commended the canal to the cares of our Commonwealth. In her infancy, as a State, Virginia looked fondly to this work as the prime factor which should achieve for her that great future which her central location on the seaboard, her magnificent roadsteads, and her admirable port, authorize her to anticipate. She has felt that this seaport and the admirable waters that lie at her door are too valuable for local appropriation, and that they were destined for national uses. They are a noble gift of nature requiring but a slight exertion of the art of man for their utilization. And she would rejoice this day to see them contributing as actively and as prodigiously to the greatness of this nation as even that magnificent territory is doing which she ceded for the common benefit.

She asks now, the connection of the waters of the interior basin of the continent with the Chesapeake; not in the spirit of a mendicant begging for alms, nor in the spirit of a needy relative, poor and destitute in circumstances, asking for aid. But with unselfish aim, and in the same generous spirit in which she gave an empire to the Union, she now addresses the West, saying, "open up a free highway of navigation through my territory to these great harbors and noble waters, and make them yours as well as mine; make them national property; let them no longer be reserved for mere local advantage."

Mr. GRUBB: I desire to ask Mr. CARRINGTON whether he can point to any experience in canal tunnelling. It is proposed to make a canal tunnel nine miles long. Is there any canal in this country or abroad that has a tunnel?

Mr. CARRINGTON: I am not advised as to that. I know only of railroad tunnels that approximate to it in distance. I am mortified that my ignorance prevents me from answering the question; but I am just informed that there is a tunnel in the Bridgewater (England) canal. I saw, only two or three days ago, in one of the morning papers, that the French Emperor had congratulated the engineers upon the prospect of the early completion of the Mt. Cenis tunnel, connecting France and Italy, almost eight miles long; and the same Emperor has recently congratulated the French nation upon the completion of the Suez canal. I understand that the Mt. Cenis tunnel has no shaft, and that the rock is the hardest granite.

Mr. WALBRIDGE: When this Board extended to me its courtesy at the opening of this meeting, I determined to refrain from any further discussion of the topics to be presented, leaving that to my honored colleagues.

I was reminded by what was said by the gentleman from Milwaukie, that the question of railroads is one which has been near and dear to my heart, and I could not refrain from coming to the rescue of my friend from Chicago; and I am again compelled, against my conviction of the propriety of trespassing upon the indulgence of this house to engage in the discussion of this historical question now before us; for there is no question connected with the policy of this Government which dates back to a period so remote as that touching the opening of this Central line of communication. One hundred and fifty years ago, (a long interval in the history of a country, — a brief period in the history of the world,) an illustrious citizen of Virginia pointed out the necessity of opening this line. That was in colonial times; the country was too new for such an enterprise, and it was reserved for him who stands without an equal in history, GEORGE WASHINGTON, fifty years afterwards, to rally his countrymen in reference to it. The River St. Lawrence and the Mississippi were then controlled by adverse powers, — the one by England and the other by France. The result was, however, that General WASHINGTON failed, for a reason which I must give. And if, in giving it, there should one word fall on unwilling ears, I hasten in advance to say, that it is not my intention to say anything unpleasant, but I am here to speak with the freedom of an American citizen. There was, in Virginia, at

that time, an institution, not calculated to suppress individual aspirations, individual ambition, or individual power, but which prevented the aggregation of capital for the accomplishment of great objects. It is true, the first long line of railroad ever completed in this country, was built in 1832, from Charleston to Columbia, showing that there was nothing in the institution of slavery positively adverse to enterprises of that kind; and from Savannah sailed the first steamer which crossed the Atlantic; but there was something in the institution referred to which prevented the aggregation of capital for carrying out great enterprises. Thus it was, that General WASHINGTON, failing to carry out the project in Virginia, gave his sanction to the line of communication through the State which I have the honor in part to represent. Mysterious are the ways of Providence! Who shall tell by what agency Virginia was prevented from opening a line of communication, while to us in the North this privilege was accorded? It is impossible for us, with our finite vision, to comprehend the designs of Deity. In my judgment, had this Central line been opened, in accordance with the wishes of General WASHINGTON, at that early day, the heart of the great State of New York would to-day be a wilderness, and our Northern civilization with its high aspirations and its commercial power would not have been developed as it now stands in history. It seems that Providence determined that the Northern section of the country should be opened; it has been opened, and now there comes an opportunity for us to perform an act of justice.

The Northwest was a contribution by Virginia, to the civilization of the human race, for when she made that donation she impressed upon its virgin brow the immortal kiss of human freedom. This territory, composing the States of Ohio, Indiana, Illinois, Minnesota and Wisconsin, has attained a population of ten millions, and it is destined to contain one hundred millions. And will the West with its prosperity, either in this Board or in Congress, withhold from Virginia, the mother of States and the mother of Presidents, the opportunity of having intercourse with her daughters in the Northwest? Will it, by its representatives on this floor or in Congress, refuse the request which Virginia makes for the opening of communication between this territory which she gave to freedom, and the Atlantic? Something is due to the history of the past. I care not whether the proposed work will reduce the price of flour or grain or corn, as necessarily it must do; it is enough for me to know that Virginia, in the hour of her poverty and her need, asks of the Government, not a subsidy, not an appropriation, but simply a loan of credit, that she may enjoy

something of the prosperity in which her daughters of the Northwest now rejoice. That is the question before this body. Shall we withhold the boon? I know there are gentlemen who differ from me on the constitutional question, and who say that the General Government ought not to do what is asked. In the struggle through which we have so recently passed, the results of which are now accepted by all, we placed the Constitution beneath our feet to secure these results. I would not, under any circumstances, inculcate any infraction of the Constitution. But I remember that the men who framed it in their day and generation, nobly performed their part; and they did not assume to circumscribe the operations of those who were to bear their name, to partake of their blood, and to follow in their steps. When the Constitution was adopted, steam had not been introduced, electricity was unknown; for it is but sixty years since steam was first used as a motive power, and only forty years have passed since the first railroad was commenced. NAPOLEON moved his victorious battalions by the same agency which was employed by his illustrious predecessors — CÆSAR and ALEXANDER. In the matter of locomotion, there had been no improvement since the civilization of the world began until within forty years. Ask me what I think of the men who framed the Constitution. In their day and generation they were the wisest body of men which had ever been assembled. But new agencies have come into play; new forces have been employed since they passed from the theatre of action, and we, their descendants, are to act with reference to our responsibility in view of that fact. These agencies are steam and electricity, and a higher, broader Christianity, — a Christianity which, in my judgment, is able to maintain itself, even against the influx of a heathenish Asiatic civilization, for I believe there is in our institutions something so elastic, something so broad and generous, something so noble, that we may safely invite to these shores, not only the European population, but another still more important to us — the Asiatic, the Oriental, coming from a country where men have been trained to labor for more than two thousand years.

Mr. President and gentlemen, this question is one that addresses itself with peculiar force to the Northern part of this country. In the recent unhappy war we grew rich, while the men of the South grew poor. I regret to make the statement, but the South is to-day crushed out in her material resources, in her money power; and should we of the North, who have become prosperous and rich, withhold from the South the benefits of that policy which has been so fully pursued to our advantage. Look at the subsidies that have been given to your

great lines of railroad; look at the policy which has been pursued in the North, and say whether you can now refuse to the South what is asked at your hands.

[The allotted ten minutes having expired, leave was granted to Mr. WALBRIDGE to continue his remarks.]

When my friend from Dubuque so happily adverted to the salutary influence which this Central line would exert in bringing the two sections together, in burying deeply and forever the bitter memories of the past; the spirits of the three hundred thousand men who fell in defence of constitutional liberty, passed for a moment before me. I remembered all the privations, the sacrifices and the struggles we had undergone. But we have buried these memories, as I have before remarked, and forever; and now, when Virginia asks for the credit of the Government to aid in the construction of the Central water-line, shall we of the North say no?

Is not something due to Virginia? At the commencement of this century, the intellects of our illustrious statesmen were taxed by questions of Government. Suppose JEFFERSON, that illustrious man, without a peer, suppose MADISON, almost his equal, and MONROE, had directed their commanding abilities to questions of State interest as they did to questions relating to the General Government; they would have opened this water-line, and all the territory from the mouth of the Chesapeake to the Ohio river would be dotted with smiling villages and towns and cities, and we in the State of New York would to-day be occupying a provincial position; for in 1790, Virginia was superior to New York in population, and occupied the position which New York to-day occupies. We have secured this position by our energy; we understand the power of associated wealth to accomplish great results. This was impossible in the South, for the institution so long fostered by the South demanded isolation. The men of the North joined themselves together, they formed corporations, they united their individual wealth for the consummation of achievements, such as the construction of the Pacific road, and of the Erie canal. I am gratified at the suggestion which has fallen from the distinguished gentleman from Virginia, that when this water-line is opened, after the payment of its cost, it is intended to make it as free as the footsteps of the bounding deer—as free as the air we breathe. I can only say, I shall regret if we are obliged to wait for such a result to shame the State of New York into a similar act of justice to the Northwest.

An intimation was made by one of the representatives of the Board of Trade of Chicago, (Mr. RICHARDS,) that the time was not far distant when there would be no exportation of the cereals from his part of the country. I can only say to him, that I think he is mistaken. It is the mission of the Northwest to supply food not only to the East, but to the millions of Europe; and when we shall place our cereals in European ports at a lower cost than that at which they can be raised in Europe, we shall control the destinies of the world.

Mr. RICHARDS: I wish to correct the gentleman on one point. I said that the time would come when we should cease to export grain, if we had to pay the present rates for transportation between our part of the country and the Atlantic seaboard.

Mr. WALBRIDGE: I stand corrected. When the statement was made, I began to consider how we should overcome the difficulty, and I thought we would smuggle the corn into the hog. It takes sixteen bushels of corn to make a hog, and then we would move the pork, and make the hog the great civilizer. (Laughter.) I am glad that the opening of this Central water-line, the opening of a canal around the Falls of Niagara, and the opening of the River St. Lawrence, which, I trust, will be secured by annexation, or by fair and honorable terms of reciprocity; I say, I am glad that the opening of these lines of communication gives us the pleasing anticipation that we may not be forced to the alternative to which I have referred, and that our pork may remain among us.

Mr. President, I leave out of consideration the question whether this will be a profitable investment or not. In my judgment, we have not reached a period when the full capacity of the railway system has been attained; we never shall reach it while these railroads remain for the benefit of corporations, and not for the benefit of the people who grant the charters. There is a time coming when these things will be regulated. These great agencies of power and civilization will be made to advance the interests of the community. We who live in New York, where there is now a million of population, remember that forty years ago London had only the population which we now possess. We also know that there it requires forty years to duplicate, while we double every sixteen years. Realizing, then, that this country, at the close of this century, will have a population of one hundred millions, four millions of whom will build their habitations on the beautiful bay of the city of New York, we feel no envy of San Francisco, or of St. Louis, or of the mouth of the St. Lawrence; but on the other hand, we say, augment your transportation facilities, open your thoroughfares as much as you please; construct this Central

line, free from obstruction by ice through the winter. It will make no difference to us in the city of New York, for there we shall discount your bills and regulate the exchanges of the monetary world. There is a false impression in reference to Canadian reciprocity and the opening of the St. Lawrence. I would favor any combination by which that trade should be developed. But at the same time I would do no violence to my friend from Buffalo, (Mr. MARSH.) I would have the State of New York make the Erie canal broad enough for the largest barges; broad enough for those two thousand ships now shut up in the lakes of the Northwest by the rigor of our American winter; these should be permitted to pass through the Erie canal, and down the Hudson; and during the winter, these ships, bearing the flag of our common country, should be allowed to carry its civilization to every part of the habitable globe.

Mr. HOLTON: I know how impatient the house is, and I know that I have occupied much more time than I ought to have done; still I cannot do justice to myself without offering a word of explanation as to my vote. I do not know how to get over one impediment, which arises from my deep desire to requite the abundant hospitality which we have received here in the Old Dominion. I do not know how to reconcile the feeling with the vote that I feel bound to cast. I must not, however, swerve here from my duty to my convictions, no matter what may be the measure of that hospitality or kindness, or affection which I have received. We are acting here, if we act at all, upon principles that must guide us at all times and under all circumstances. My action here to-day must guide me next year, unless I get new light, for I hold that men may change, must change; but to-day I must be governed by the same principles of action that govern me at other times, under the same circumstances.

We are, if I understand the resolution, about to recommend to Congress that it shall go forward and undertake the construction of a new water-way from the waters of the Ohio to the Chesapeake, through a mountain range, thus changing the natural water channels — a thing unknown and unheard of in Congressional history heretofore. After a long discussion of the question of constitutional power by the ablest men the nation has ever seen, — Mr. CALHOUN and others whose names have been mentioned — they defined what were the possibilities under the Constitution, to wit: that Congress might improve natural water-courses; that it might remove natural obstructions to natural water-ways; that it might fence harbors and protect them. For a long period of time the nation has gone on, keeping within that principle. I have seen no improvement upon that idea; but to-day, if you

make this recommendation to Congress, I want you to recommend an improvement through Wisconsin and an improvement through Illinois; I want you to recommend the improvement of those magnificent bayous through the whole South. If we are to have this measure, we must have every other measure that may spring up in the country this year, next year, ten, twenty, or thirty years hence, as a matter of consistency, under our form of Government.

Now, Sir, I have taken this position in my own State touching the so-called Fox and Wisconsin improvement—an improvement eminently fit to be made. Nature has, almost without artificial aid, linked the waters that will make a magnificent canal; and although Congress has made an appropriation, and although delegates from Iowa, Minnesota and Wisconsin have met and asked an increase of that appropriation, I have claimed that we in Wisconsin, if we would be true to Virginia, if we would be true to the States of this country, must ourselves do that work. It is our privilege, our duty, and our best interest, to take up that matter and construct the canal ourselves; and I say, that that is the privilege and right, and duty of the State of Virginia to-day, touching this proposed improvement. The learned and eloquent gentleman from New York, (Mr. WALBRIDGE,) has feelingly and pathetically alluded to Virginia; I, too, honor Virginia. I reckon myself almost a son of Virginia, having lived and reared my family on that magnificent patrimony which she gave to the General Government, of which the State of Wisconsin is a part. I have always felt an affection for Virginia, and do to-day. But, Sir, the clog that bound Virginia, that prevented her fifty years ago from the development of her great natural resources—that clog, that curse that was upon her, is removed, and to-day Virginia is a power. This is the day of her power. A brighter and grander destiny now opens before her. We in Wisconsin, by the power of free labor, have opened hundreds of miles of railroads, and built magnificent roads and bridges. What may not Virginia do? Do you say that she is so poor she cannot do it? Is she, because, she is poor to-day, to go and cringe to the Federal Government, and ask her aid? Is she going to lay down her rights as a State, in the maintenance of which lies the great power of this country? Let us not forget that this Government is rapidly approaching the fate of Rome if we do not regard these rights. No, Sir; leave me to-day the power of the State; send me back to the State, to the county, to the township. I will show you the best condition of things in the State of Wisconsin that can be found anywhere, arising from a due exercise of this power; I will show you cross-roads, opened every mile, and every stream bridged,

which are better than any railroad or any public canal for the common welfare of man.

Knowing how my friend, Mr. CARRINGTON, is bound up in this matter, thinking that national aid is indispensable, I would gladly act with him ; but I cannot swerve from my duty here, or be unfaithful to my view of the powers of a free people in regard to this and kindred matters. Give it back to the people. Send us not to the Federal Government for aid in supplying any wants or necessities that we may have in this respect. If this is a good improvement (I have not had time to look over this report, but assume the improvement to be a good one,) I hold that the State of Virginia will make it quicker than she will ever have it made by the Federal Government. So, then, while I should be happy to do anything I could to promote the interests of this State I must lay it upon the people of Virginia to do this work. It is her right and privilege, and, in my judgment, her very best interest, to do it. I say, therefore to the Federal Government, "Hands off from Virginia in regard to this matter," and let it remain with the people of Virginia. I should feel that I was trenching upon her right, as well as upon her duty, if I sent it to the General Government.

Mr. CULLEN : I will ask Mr. HOLTON if he did not vote for the improvement around Niagara Falls ?

Mr. HOLTON : I did, Sir.

Mr. WETHERILL : After having listened to these two eloquent speeches, I feel as if, perhaps this Board has been carried so far into the clouds that we shall have to pause awhile, until we can settle again on *terra firma*.

My objection to the speech of the gentleman from New York is this ; that there was in it too much poetry, and not enough of canal. Now, to the facts and let us see if we cannot get back on to solid ground again. I had the honor of being a member of the Committee which examined into the merits of this question, and in part prepared the report, and I want to remind the Board of one fact ; that the Committee acted by the wish and by the direction of this body at its meeting last December. I would also remind the Board of another fact, that with the exception of the gentleman from Richmond, those who signed that report went into the matter purely on its merits ; and when I signed it, I believed that I was doing so perhaps against the interests of my own city. I believe, Sir, that if ever a subject came into a Convention with clean hands and pure hearts, this project of the Virginia Water-Line does. The Com-

mittee met at the White Sulphur Springs, at personal inconvenience to most of us, and after a week's patient work, meeting early in the morning, and not separating until late at night, we agreed on the report; and I am surprised that the learned gentleman from Milwaukie should make a speech so strongly in opposition, when that report might have been in his hands two months ago, although he says he never read it. There is this difference between the project now before us and that which he has mentioned. This has been thoroughly investigated by those who are skilled in matters of this sort, and the questions asked by this Board have been fairly and honestly answered by this Committee. We believe that at Norfolk, we have a harbor equal to any in the United States, or in the world. We follow the water-line up to Covington, and there I will admit we have rough work for twenty-six miles; there we have a ledge which may frighten us now, but which perhaps we shall consider a trifle ten years hence. There we have a tunnel of nine miles, with nine shafts, which, a year ago, I confess, staggered me; but after consultation with skilled engineers, every man on the Committee felt assured that it was practicable. My friend, Mr. GRUBB, has asked how far any tunnel of this sort has ever been made. I would remind him that he knows of a city, and a large one, too, where, not a great many years ago, twenty of its best men signed a remonstrance against the introduction of gas, on account of its inflammable character; and there are innumerable instances of the same kind. This is an age of progress, and in a matter of this sort, let us look ahead, and *go ahead*, and not look behind us.

So much for the difficulty. Mr. CARRINGTON has spoken fully about the mountain division, which is the difficult one. I confess that those twenty-six miles, and this tunnel staggered me; but when I remembered that twenty-five millions of tons were lost for want of cheap transportation—and that corn for fuel was cheaper at Davenport, five years ago, than coal, the difficulty seemed to sink into insignificance. Nine miles of tunnel to bring corn, that would otherwise be burned, to cheapen food in the manufacturing districts of Pennsylvania, and on the seaboard, might be made, possibly at an extravagant cost; and if made, it would be an economical investment.

Another thing. We have been told that canals are obsolete—relics of the past; and I was pointed to a canal in my own State as an illustration. That is true; but if that canal had pierced the mountains, it might have been a rival with Erie. I was told that the Chesapeake and Ohio canal was a work of the past, and that the

James River canal has not been a paying investment. The simple reason is, that they did not go far enough. The object was right, the intention was right, but the purse was short; and therefore the enterprises were failures. But will anyone tell me that the Erie canal is a failure? The gentleman has not reflected upon this fact,—that the tonnage on the lakes, to-day, is more than the foreign commerce of the United States. And while all that immense commerce has only three outlets to the seaboard, (I do not speak of the Welland canal, for that carries only five per cent. of the whole freight,)—two railroads and one canal, not less than sixty-five per cent. is carried by the canal.

Again. This water-line is a long line. The Government has subsidized the Pacific railroad for a purpose, and that purpose was to bring through freight from the Pacific to the seaboard; and when you have got a line of that length, three thousand miles, after it has been built, and after sixty millions have been spent upon it, we find that on account of its length, not a pound of through freight can come profitably over it. That is another proposition which this Committee at White Sulphur Springs sifted out. They found that it would cost to bring a bushel of wheat from San Francisco to New York, by rail, three dollars, at three cents a pound a mile; and they found that by sea, California sent a surplus of about fifteen millions of bushels which was laid down at the wharves of Philadelphia and New York, at a profit, at a great deal less money than that. I would like to ask the gentleman from Chicago, where is his water transportation, and where is his cheap railroad?

Now, for the local interest, and that is an important one. Whatever greatness Pennsylvania may have in the nation to-day, is doubtless owing to her iron, and I must confess that this subject does not please me as a Pennsylvanian. I also discovered as a Committeeman, at the White Sulphur Springs, last summer, well-defined and distinct veins of sixty-five per cent. iron ore, for over one hundred miles right through this mountain line, fifteen feet thick, exposed on the surface, showing an inexhaustible supply of iron ore which could be laid down at Covington, for instance, at about one dollar a ton. For the information of gentlemen who are not manufacturers of iron, I will say that to make a ton of iron, you must take two tons of coal, two tons of ore, one ton of limestone, and seven dollars in labor. That makes a ton of iron. Now, at Covington, with coal from fifty miles west at two dollars and a half a ton, you have five dollars for coal, two tons of iron ore, at one dollar and twenty-five cents or one dollar and fifty cents, say three dollars, and seven dollars for labor —

fifteen dollars ; one dollar for limestone — sixteen dollars ; so that I honestly believe that iron can be made in the mountain regions through which we intend to make this water-line, at sixteen dollars a ton. I don't want to say what it costs in Pennsylvania, but a great deal more than that. (Laughter.)

[At this point Mr. WETHERILL'S time expired, but leave was granted to him to proceed.]

Independently of the other advantages, I call the attention of gentlemen to this important fact, — the vast mineral wealth of the mountain region of Virginia, overlooked too long. A proper line of communication, and proper means of transportation are destined hereafter to make Virginia one of the greatest manufacturing States in the Union. And shall we not, I ask the gentleman from Milwaukie, shall we not, with these considerations before us, when we have voted, I do not know how many hundred millions of dollars for I do not know how many different objects — shall we not, when we have examined this project through a Committee of our own choosing, who have prepared a report in which everything is brought down to a dot, so that there can be no mistake, — shall we not give this great and important work our hearty indorsement?

Mr. TREZEVANT : I will detain the Board but a very few moments. I came here prepared, so far as my vote could go, to give all possible aid to this enterprise. I take it we are a sort of informing community, a suggesting community, gathered together for the purpose, not of localizing issues, but of considering them when brought up in the broadest sense, and regulating our votes accordingly. I did not intend to say anything at all after I heard the very eloquent and convincing speech of the gentleman from New York, (Mr. WALBRIDGE.)

But one gentleman has talked of the idea of canals as a means of transportation as an exploded idea. Why, Sir, the grandest work of the age has just been completed, in the canal connecting the Mediterranean with the Red sea. This canal was projected by wise men, who knew what the commerce of the world required. The first NAPOLEON projected a canal from the Bay of Biscay to the Mediterranean, and the present Emperor is about to take measures to carry out that project. What for? Are there no railroads between Marseilles and Bordeaux? Surely there are ; but a canal is wanted there for the purposes of commerce. I beg leave to take a liberal view of this whole question. We have not got to recommend the granting of any money, and we at least may recommend what we think right. What

does this old State do for the Government? My friend, Mr. CARRINGTON, told us that the cost of this canal was to be about forty millions of dollars. Last year, Virginia, poor as she is, exhausted as she has been, paid into the Treasury of the United States upwards of two million three hundred thousand dollars, upon tobacco alone. And this year her income tax on tobacco will be three millions. Should she not have any help when she thus liberally contributes to the general treasury? In a country like this, so vast in its proportions, so grand in its conceptions, where men move by steam and are taught by telegraph, — in a Government like this, shall it be a question of a few millions as to whether we shall urge the Government to undertake a work which is to benefit, not this State alone, but the whole Northwest, and the grain producing region of the nation? Surely, in a meeting like this, where we have come together to consider the greatest good of the whole, where little projects are not known, where we have carefully avoided trenching upon constitutional rights, but where we are willing and anxious to develop the whole country, — surely, in a Board like this, we may agree that this among all others is an enterprise which stands out in its own magnificent proportions, and deserves the aid of the Government to do what Virginia cannot do for it. I live, Sir, directly west of this highway of the nation, and I have, I confess, a selfish motive in this thing, besides a general and a generous one; it is that the city of Norfolk may grow up to be what New York is, not its rival, except in a liberal sense, but that it may become a city of a million souls; and that Lynchburg, Bristol, Chattanooga, Huntsville and Memphis may be to Norfolk what Syracuse and the cities on the Western lines are to New York. Mr. Chairman, if every other subject brought before us were ostracized, if that one which I cherish, and which I hope soon to hear discussed, were laid aside, with all others except this, I would still say, “let this grand scheme receive the helping hand of a rich and a liberal people.”

Mr. JONES: You are aware, Mr. President, and this Board is, also, that I have not consumed a single moment of your time. I have come to this noble city of this noble State, of one of whose colonies I am a native, for no other purpose than to give my humble vote, not my voice, in support of this, the greatest measure, in my opinion, now before the American people — a measure which, if consummated, will redound more to the interest of my own State, Iowa, than any other internal improvement which has ever been, or, in my opinion, can be projected. I have not consumed one moment of the time of this Board, and I believe that my honored colleague, (Mr. MONROE,) has so well illustrated the subject as to have convinced the mind of almost

every man here, that this proposition ought to pass. I think it ought to pass by an unanimous vote. I therefore move the previous question.

The previous question was ordered, and the Yeas and Nays were called for.

Mr. McCREA : I expected to vote against this measure, because I thought it would be detrimental to Chicago ; but after listening to the discussion I have made up my mind to let Chicago take her chances, and I will vote according to my convictions. (Applause.)

Mr. DORE : I, too, wish to explain my position. I did not intend to vote for this measure, as some of those who are most interested are well aware. I have myself been in favor of the construction of the Niagara ship-canal, and have advocated the enlargement of the Illinois and Michigan canal, and the improvement of the Illinois river. I wish the people in those sections to understand that I have no local prejudices, for Chicago can take care of herself; I have concluded, therefore, upon the whole, to vote for the canal. (Applause.)

Mr. TAYLOR, of Cincinnati : I wish to explain my vote. The construction of this canal would be of immense benefit to the city from which I come, but believing it to be a work which ought to be performed by the State, agreeing with my friend from Milwaukee, (Mr. HOLTON,) and being determined, as I said before, to set my face like a flint against every one of these schemes of extravagant expenditure, I shall vote *no*.

The roll was then called, with the following result :

Yeas : Messrs.—

Adams,	Dore,	Hughes,	Parr,
Allman,	Egan,	Jeffries,	Richards,
Bagley,	Fraley,	Jones,	Ropes,
Baskerville,	Gano,	Kirkland,	Sawyer,
Branch,	Goshorn,	Libby,	Seemuller,
Brigham,	Groner,	Loney,	Thompson,
Brown,	Hall,	Marsh,	Torrence,
Campbell,	Harrison,	Masters,	Trezevant,
Carrington,	Hastie,	McCrea,	Venable,
Cook,	Hawley,	Mingle,	Walbridge,
Crenshaw,	Hazard,	Monroe,	Wessel,
Cullen,	Herbert,	Morrison,	Wetherill — 50.
Dawson,	How,		

Nays : Messrs. —

Bowdlear,	Dupee,	Opdyke,	Stranahan,
Bremer,	Grubb,	Plumer,	Taylor, (J. W.,)
Chittenden,	Holton,	Sampson,	Taylor, (S. L.,)—15.
Coleman,	Keenan,	Stokes,	

Mr. GANO : I move that the Executive Council be instructed to suggest to Congress that the prosecution of this work be committed to the hands of trustees, of whom one each shall be appointed by the States of Missouri, Illinois, Iowa, Wisconsin, Indiana, West Virginia, Virginia, and Maryland, and one by the President of the United States, and that the work be prosecuted under Government survey.

Carried.

Mr. KIRKLAND : I congratulate the State of Virginia upon the passage of this resolution, looking to the accomplishment of the object nearest her heart. To prevent embarrassing the question, I did not rise while the discussion was in progress, but the Committee which reported to this Board in reference to the subject have done injustice to the city of Baltimore, which I have the honor in part to represent here. My attention was particularly called to it by our own Board, before I left home to attend this meeting. In the report, able and exhaustive as it is, it is stated that there are but sixteen feet of water in the harbor of Baltimore. Now, to gentlemen who are familiar with this matter, as are our friends from Boston, Philadelphia and New York, it may not be necessary to correct this statement; but I wish to put upon the records of this Board the precise state of the case. In a report dated Baltimore, November 25th, to the Government of the United States, General SIMPSON says that he has recently opened a new channel, by which he has gained five and a half feet, so that the depth of water at mean low tide is twenty-one feet.

Mr. HAZARD read, for information, the following resolutions, on which he said that he should ask the action of the Board at the proper time :

WHEREAS, The products of our food producing States have reached a magnitude constituting nearly nine-tenths of the inland traffic, sustaining to a great extent the foreign and coastwise commerce, and adding largely to the material wealth of the industrial classes, and as it is indispensable to the highest development of the country that every necessary facility and encouragement should be given to still further extend the area of production of the great food staples; and as in

view of the strong and increasing competition which our cereals are meeting in the markets of the United Kingdom and elsewhere, with the products of European countries, our ability to supply those markets at remunerative prices involves more and more the necessity of cheap and reliable transportation; and

WHEREAS, There now exist the following important lines of artificial water communication, viz.: the Erie canal, in the State of New York, the Illinois and Michigan canal, in the State of Illinois, the Fox and Wisconsin river improvement, in the State of Wisconsin, the James river and Kanawha canal, in Virginia, and other works of a similar character; which great water highways of commerce in a measure are identical in interests, and truly national in their character, and have already accomplished vast results in developing the resources of the Northwestern States — the national tonnage of the Erie canal alone having increased from fifty-six thousand two hundred and fifty-five tons in 1837, to nearly three millions of tons in 1868, more than nine-tenths of which were the products of other States than that of New York; and

WHEREAS, It is to be regretted that the present condition of the Erie canal is insufficient to meet at moderate rates of freight the legitimate demands of the West, and also that the exorbitant rates of toll exacted by the State of New York restrict and divert the commerce which would otherwise seek that route to tide-water; it is therefore

Resolved, That the paramount commercial necessity of the country is reliable and cheap transportation, which is demanded not only by the food producing States, to enable them to compete successfully with Russian and German cereals in foreign markets, but also by our Eastern States in securing supplies of cheap food.

Resolved, That the National Board of Trade views the canals alluded to in the foregoing preamble, of the highest importance as the great water highways of traffic, and eminently national in the economy of inland commerce, being the cheapest mode of transportation, and indispensable in regulating and preserving the equilibrium of prices in the movement of the products of the country.

Resolved, That in the opinion of this Board, it is plainly the duty of the States owning or controlling artificial water channels of transit to impose, with just discrimination, such rates of toll as shall foster and promote the commerce and development of the country, rather than tend to the production of excessive revenue.

Resolved, That this Board hereby respectfully urges upon the several States mentioned in the foregoing preamble, and particularly upon the

State of New York, on whose canal, (the Erie,) disastrous breaks and detentions, involving heavy losses to owners of property on transit, are so common, to adopt all necessary measures for enlarging its capacity and strengthening and protecting the locks and embankments against interruption to navigation, thereby securing reliable, cheap and expeditious movement of property.

The Board then adjourned, to meet at ten o'clock, on Monday morning.

FIFTH DAY.

MONDAY, DECEMBER 6, 1869.

The Board met at ten o'clock, A. M., pursuant to adjournment.

Prayer by the Rev. Mr. REED.

The journal of Saturday was read and approved.

Mr. JULIUS BARKHOUSE, of Louisville, appeared and took his seat.

The President announced, in behalf of the Executive Council, that it had unanimously reëlected Mr. HAMILTON A. HILL, of Boston, as Secretary and Treasurer of the Board for the ensuing year; and that it had agreed to recommend Buffalo as the place for the next annual meeting of the Board.

The PRESIDENT: I have received from General TOCHMAN a communication requesting permission to lay upon the tables of members a pamphlet he has prepared in relation to European immigration, with some statistics connected therewith.

No objection was made.

Mr. COOK: If it be in order, I move that the report of the Committee upon Railway Bridges over navigable waters, etc., be taken up for consideration.

Mr. HASTIE: I second the motion.

The motion was agreed to.

The resolutions reported from the Committee were read, as follows:—

Resolved, That Congress be requested to make such appropriations as may be necessary to remove from the Ohio and Mississippi rivers all obstructions to the free and safe navigation of the same; and more especially for the early completion, under the supervision and direction of Government Engineers, of the works at the Falls of the Ohio,

the Des Moines and Rock Island rapids, and the mouth of the Mississippi, so as to afford an easy outlet to the Gulf.

Resolved, That where it is necessary to bridge the navigable waters for the use of railroads, or for any other purpose, in the construction of such bridges a due regard for the interests of both rail and water transportation should be observed; in view of which the National Board of Trade asks that the Congress of the United States will enact a law that where bridges are built over the Ohio river there shall be at least one span, with a clear water-way over the channel of not less than four hundred feet, and with a height sufficient to permit unobstructed and safe navigation; and that where bridges are built over the Mississippi, above the mouth of the Missouri, the main or channel span shall be at least three hundred feet, and of sufficient height to permit unobstructed and safe navigation; and that the piers for all such bridges shall be located under the direction and supervision of an United States Engineer, or a corps of Engineers, to be designated by the Secretary of War.

Resolved, That the Executive Council be directed to present to the Congress of the United States the foregoing resolutions.

Mr. COOK: Mr. President; I have no desire to make a speech upon the subject of these resolutions, and will not do so unless there shall be a protracted discussion upon them. I trust, however, there will be but little discussion.

I believe that the spirit of these resolutions is so fair, so honest and so just, that they will receive the favorable action of this Board. With reference to the first resolution, I will merely remark that its spirit has been recognized by every commercial convention which has been held in this country during the past five years, of which I have any knowledge. The works here proposed are for the removal of obstructions to the navigation of those two great rivers, the Ohio and the Mississippi. Thus far Congress has appropriated nothing for the removal of those barriers to their safe and free navigation. I said "nothing"; I should have said "almost nothing." During the last two years some small appropriations have been made for the commencement of the removal of those obstructions: one at the Falls of the Ohio, and the other at the Des Moines and Rock Island rapids in the Mississippi. All that we ask is the indorsement of this Board, for the encouragement of Congress to go on and complete the works which they have commenced.

With reference to the second resolution, I will remark that we desire to prevent the placing of obstructions over those navigable

rivers. We acknowledge the right of railroad companies and other corporations to construct bridges across them wherever it may be necessary. But we claim that in doing so they shall have due and proper regard for the navigation interests of those rivers.

It is well understood, and I will not enter into any argument upon that question, that the most eminent engineers of the country have not only indorsed in the strongest terms the practicability of long-span bridges for railroad and other uses, but such bridges are actually being constructed now, while some have long been in use. Therefore, when it comes to bridging these rivers, the question as to the length of span is simply one of cost; and we who feel an interest in the matter, claim that that should not be allowed to stand in the way of a proper regard for the navigating interests of the rivers.

MR. CULLEN: I wish I could feel that there would be no discussion in regard to this matter. Of all the questions which have been presented to us, this is one of the greatest importance. Therefore it is necessary that we of the West should carefully and calmly present to the gentlemen of the East our views in regard to these rivers, and especially in regard to their being crossed by the railroads of the country.

I will not undertake to argue the constitutionality or unconstitutionality of the law of Congress which enables a railroad to cross the Mississippi river. That I consider settled; beyond a doubt it is settled. Congress has the right to regulate commerce between States, and to pass such a law as that. That question was decided in the Wheeling bridge case. And although the position of the Mississippi is somewhat different from that of the Ohio, because the Mississippi river was obtained by treaty, in which treaty it is inferentially stipulated that the river shall remain free and unobstructed forever, and the Ohio does not come under any such stipulation; still I conceive that the law equally applies to the Mississippi river as to the Ohio. Therefore the question of the constitutionality of the law is not now before us.

The law of Congress on this subject is very loose. The framers of that law (that is the railroads) have shown the most extraordinary adroitness in having it passed as it was passed. And those in Congress, who were placed there for the purpose of protecting the great interests of the country, violated the pledge they gave to their constituents, when they permitted such a law to be passed in this loose form.

Well, Sir, in conformity with this law they have erected bridges in various sections of the country. They are not spanned bridges, save

and except the one at St. Louis; there is no complaint about that. That bridge is made in accordance with the just principles which the West insists upon. It is so constructed that every boat can pass under it at the highest stage of water. The other bridges are made with piers, and with a draw. The law requires that these piers shall be one hundred and fifty feet wide at the draw, and two hundred and fifty feet wide beyond the draw. Now the strangest thing in the world is that they should have given two hundred and fifty feet to the span where there was no draw, and only one hundred and sixty feet to the span where there was a draw.

Now what was that for? It was to make it appear to those who do not look into the matter, that they have given us a magnificent span, by means of which the commerce of the stream may be carried down uninterruptedly. But upon examination you will find that the space through which the commerce is to pass is a narrow strip of one hundred and sixty feet, and that the barges which are attached to the boats cannot pass through without, in a great many instances, absolute loss. Now is it right to do this?

Does St. Louis ask this thing merely because she is interested in it? St. Louis is as much interested in the railroads of the country as any other city. We expect to throw our iron arms out in every direction, and at last concentrate at its centre the wealth, intellect and power of this Government. We, therefore, are not opposed to railroads. But at the same time that we foster that branch of industry, we are extremely anxious that the great avenue to the markets of the world, called the Mississippi river, shall also be protected. All that we ask of Congress is, that it will act fairly, and insist that these railroads shall span their bridges and plant their piers parallel to the current; and that they shall see that these bridges are not made in such a form as to divert the channel, because it is their duty to take care that its commerce shall not be affected in that manner. And all that we ask of you is to aid us in petitioning Congress to this effect.

Now let me refer to the Keokuk bridge. The little town of Hamilton, in Illinois, is situated northeast from the town of Keokuk, Iowa. The railroad companies wish to pass over from Keokuk to Hamilton; and how do they do it? The law does not say that the bridge shall run parallel to the current, but that the piers shall be parallel to it. Yet by the rules of construction known to law we must all be aware that it must have been the intention of Congress that the bridge itself should run parallel to the river; there is no doubt about that. Yet what did they do? The soulless corporations, in order to divert the current of that stream, ran the bridge diagonally from

Keokuk to Hamilton. How is that done? By placing the piers in that manner, the stream is diverted, and one portion of the current is thrown against the other. Thus the whole commerce of the country passing over the canal and the rapids at Keokuk runs the risk of being sunk by these piers. These are facts; if I am wrong, I am not drawing upon my imagination. Now we ask that this thing be attended to, and attended to quickly.

A Committee, of which I was Chairman, reported to the Board of Trade of St. Louis the whole state of facts in connection with this bridge, and we threatened at once to commence proceedings for the purpose of abating this bridge as a nuisance. We could not arrive at the conclusion that it was a nuisance upon theory. We therefore have to wait until we can substantiate the fact that the placing of piers in this diagonal manner is a more unreasonable obstruction to commerce than placing them at right-angles. If we go upon scientific principles we know that we can get as many opinions upon the one side as upon the other.

Mr. HASTIE : There was a time when my section of the country was decidedly opposed to anything like internal improvements. But I believe I have voted for every proposition for internal improvement that has been before this Board. I would observe that there is an appropriation requested of Congress for the improvement of the harbor of New Orleans. It was the good fortune of New Orleans to fall early in the late contest. It was the bad fortune of my unfortunate city never to fall. Our harbor is perhaps in a worse condition than the harbor of New Orleans. I rise not to oppose anything, but merely to move an amendment to this proposition. I do not intend to be selfish, and ask an appropriation alone for Charleston; but I will ask it for my sister cities. I therefore propose this amendment:

Also, that Congress make an appropriation for the improvement of the harbors of Mobile, Savannah and Charleston, which were greatly injured during the late war.

Mr. RICHARDS : I am opposed to both these propositions. I am opposed to expending any money for the improvement of the Ohio and Mississippi rivers. I am opposed to any limitation, or to any specification of the number of feet required for the span of bridges across those rivers. It is not good policy for us to vote here for anything merely as a matter of courtesy, and I am not going to do it on this subject. It is a fact, as every man knows, that railways collect all the freight from the farmers except that raised on the water

courses, or hauled thither by teams. And when they have collected that freight they control it; and in a little while there will be little or no trade or freight on the upper Mississippi to go anywhere except by rail. The produce raised on the west bank of that river, is brought to that stream by the railroads, and by means of connections with through lines they will control that freight and bring it across the river.

To prove the extent to which railways collect the freight of this country, in the first instance I will state that while the entire tonnage of the Erie canal was six million five hundred thousand tons, the tonnage of the Pennsylvania railways was forty-two million five hundred thousand tons. There will not long be any interests requiring the navigation of the Mississippi river. I have, myself transported grain from Cairo to New Orleans for seven and a half cents a bushel; and I believe that grain can now be carried from St. Louis to New Orleans for something like eight or ten cents a bushel. Yet, notwithstanding that fact, grain is being shipped from St. Louis to Chicago and from thence to the east for a market.

Now, gentlemen in the interior, who look at this question merely in the light of theory, do not understand the first principle which controls this business. It is not the inland expense at all which controls the question, but the ocean question or expense. The reason why produce cannot go down the Mississippi river is because rates from New Orleans to the points for which it is destined are so high as to prevent it. Grain can be delivered from the interior and the southernmost point of Illinois where grain is raised for export, in the city of New York by railway at a cheaper price than it can be carried down to New Orleans and from there to New York. The people of New Orleans have been trying that experiment, and I think they also have arrived at the conclusion that that cannot be made a route to market for grain. They must come into this railway line of business, and at no distant day they will be ready to adopt the propositions looking to that end which I had the honor of introducing here.

Now in regard to the question of the number of feet of span which bridges across the river should have, I do not know any earthly reason why there should be any such number of feet as is contended for here. We are noting the convictions of a momentum derived from some years of agitation on the water-line. I look upon this as the mere momentum of our good friends of St. Louis, who are trying to defeat the building of bridges across the Mississippi river. The

largest steamboat upon the Mississippi river does not bear any comparison whatever to the number of feet here required. Undoubtedly the current where the bridge is constructed will form an important element in the question of the number of feet required for the span.

Now, I am opposed to fixing the number of feet for a span, and also to the appropriation of any money for the improvement of either of these rivers, as I regard it as certain that ere long they will have no commerce except the local trade upon their banks. If the question could be separated, I might probably be induced to vote for an appropriation of money for the improvement of the harbors of Mobile, Savannah and Charleston, but I am opposed to the other appropriation asked for.

Mr. COOK : Will the gentleman allow me to ask him a question ?

Mr. RICHARDS : Certainly.

Mr. COOK : If there were a bar in Lake Michigan in front of Chicago, which prevented vessels from coming into Chicago, would he be in favor of an appropriation by the General Government to remove that obstruction ?

Mr. RICHARDS : Most assuredly ; and I have just said I would vote for an appropriation for the improvement of the harbors of Mobile, Savannah, and Charleston.

Mr. DORE : I believe it is generally understood that touching the relative importance of railroad and water-lines of communication, the gentleman who has just taken his seat, (Mr. RICHARDS,) and myself have agreed to disagree. In my humble opinion, it is the duty of the General Government to remove every obstruction to our natural channels of commerce, such as the Mississippi, the Ohio and the Illinois rivers, and any other river, or any harbor where there is commerce to any amount.

Touching this question, it seems to me that the main point is the proposition that this Board shall memorialize Congress to prohibit the construction of bridges across the Ohio and Mississippi rivers of a less span than four hundred feet. Is it contemplated here that we shall memorialize Congress to require bridges to be constructed with spans of four hundred feet, and so high that all vessels can go under them without obstruction ? I do not understand what is meant. I understand this to refer to the draw of the bridge. Is that it ?

Mr. COOK : I will state that we propose to ask Congress to pass a law requiring all bridges over the Ohio river to have at least one

span over the main channel of the river of four hundred feet. Such spans are now being built by the best engineers of the country, and are considered safe. We are building a bridge at Cincinnati, with a span of one thousand feet.

Mr. DORE : We are asked to memorialize Congress to require all bridges to have a clear road-way of not less than four hundred feet. If I understand the width of the span at Rock Island, the road-way is one hundred and twenty-five feet. There have been great objections to the narrowness of that passage, perhaps with good reason ; I do not know how that is. But another great objection is to the manner in which the piers are located. On the Burlington road the span is of one hundred and sixty feet of clear road-way ; I have heard no complaint that that was not wide enough.

Now, I wish to say something about what we have in Chicago. The main bridge on the Chicago river, that over the main stream, is only two hundred and fifty feet broad. There are two branches to the river which form a junction within half or three-quarters of a mile of the lake shore. Those branches vary in width from one hundred and twenty-five to two hundred and fifty feet. We have from twenty to thirty bridges in Chicago, crossing the main stream and the two branches of the Chicago river. During the last year there were in that city alone between twenty-six thousand and twenty-seven thousand arrivals and departures of vessels. What are the spans of those bridges ? They vary from seventy to ninety feet, — not more, — and the capacity of the vessels moving in and out of these passages runs from fifty to fifteen hundred tons.

Now, I would like to know why it is necessary to have bridges over the Ohio and Mississippi rivers with spans of four hundred feet, unless the object is that which was intimated by my good friend from Chicago, (Mr. RICHARDS.) If the Ohio and the Mississippi rivers belong to the whole country, then I think the country had better have a little something to say about these spans, and that they should not be unreasonably broad. I would not, for the world, I could not, consistently, say one word against their being just as broad as they need to be. But it does not appear to me, from the facts I have adduced, touching the commerce of our city of Chicago, that it is necessary to have spans of four hundred feet in the bridges across the Ohio and Mississippi rivers.

Mr. COOK : Of three hundred feet on the Mississippi.

Mr. DORE : Very well ; of three hundred feet. One word more. In my opinion, and I think I shall understate the fact, the

produce of the country crossing those rivers amounts to ten times as much as the produce going down and up those streams.

Mr. KIRKLAND: The hour of eleven o'clock having arrived, the Committee on Finance is prepared to report, pursuant to the order of this Board.

Mr. ROPES: I suppose that we shall try to conclude our business to-day. I therefore move that there be a recess at two o'clock to-day, or at about that hour, until three o'clock; and that when we resume our session it be continued until our business here shall be completed.

The PRESIDENT: The first question will be upon suspending the order of business; after which the motion of the gentleman from Boston will be in order.

The question was taken, and the order of business was suspended.

The motion of Mr. ROPES was then agreed to, for a recess of one hour from two o'clock, P. M.

The PRESIDENT: The report of the Committee on Finance and Currency is now in order. The discussion of the subject of bridging the Ohio and Mississippi rivers will be suspended for the present.

Mr. KIRKLAND: Mr. President, previous to reading the results of our deliberations, I desire to state for the information of this Board, that the Committee had a wide and extended discussion in reference to the various propositions submitted to us; and in particular we were much interested in the remarks of the gentleman from New York, (Mr. OPDYKE,) who, I regret to say has been obliged to leave the city. We were interested in, and instructed also, by the remarks of other members of the Committee. After bestowing a great deal of attention upon the subject, the Committee prepared the resolutions which I have been instructed to report to this Board.

The first resolution was adopted by the Committee unanimously. The second resolution was adopted with but one dissenting voice. The other two were adopted with two dissenting voices in each case. When the resolutions as a whole were put upon their passage in Committee, they were adopted by a decided majority. There are two members of the Committee who, while they do not present a minority report, will ask to move a substitute for the resolutions of the Committee, which I suppose will be first acted upon.

The PRESIDENT: That will depend upon the course which the Chairman of the Committee may take, under his right to call the previous question.

Mr. KIRKLAND : I will go on and remark that this subject is an exhaustless one. The motion of the gentleman from Boston, (Mr. ROPES,) which has just been adopted, looks to a completion of the business on the programme, and a final adjournment of this body this afternoon. It will therefore be apparent to you, Mr. President, and it must strike the good sense of this Board, that we do not now desire to prolong discussion.

The PRESIDENT : I would remind the gentleman from Baltimore that while it is in order for him at this time to submit a report from the Committee, it is hardly in order for him to make a speech, or to state in detail the reasons which have influenced the Committee in their report.

Mr. KIRKLAND : I will merely say this : that I shall claim the right to call the previous question on these resolutions, after a debate of five or ten minutes.

Mr. TAYLOR, of Cincinnati : I think that matter had better be left open for the present.

The PRESIDENT : Whatever course the Chairman of the Committee may see proper to pursue, will of course be subject to the decision of this Board. It is the house which orders the previous question, not the gentleman who makes the motion. If the house is not prepared to sustain the call for the previous question, the discussion will continue as long as the Board sees fit to protract it. But the gentleman will have the right to call the previous question, and if the call is sustained by the Board, the previous question will be ordered.

Mr. KIRKLAND : I am instructed by the Committee to report the following resolutions :

Resolved, That in the opinion of this Board the best interests of the country imperatively demand the restoration of the specie standard of value at the earliest practicable period.

Resolved, That this Board recommends to Congress the immediate passage of a Funding Bill, providing for the issue of bonds at par in exchange for legal-tender notes, such bonds to be payable in gold, in not less than thirty years, with interest at four per cent. per annum, payable in coin ; and that all legal-tender notes thus funded be withdrawn from circulation and cancelled until the amount outstanding shall be reduced to three hundred million dollars.

Resolved, That we also recommend to Congress the authorization of new National Banks for those parts of the country which have not

yet obtained their due proportion of the same, and that all such banks be permitted to issue circulating notes to an extent not exceeding the amount of legal-tender notes hereafter withdrawn and cancelled, and in no case exceeding one-half the amount of paid-up capital of the banks issuing them.

Resolved, That the National Banks should be required by law to retain the coin received for interest on the bonds deposited to secure their circulation until specie payments are resumed.

Mr. HASTIE : I beg leave to submit a proposition on behalf of the minority of the Committee. It has been necessary for my friend from New York, (Mr. OPDYKE,) to leave the city, which I very much regret. Before he left, however, he and I agreed upon a minority proposition. We are in a minority of two ; I am sorry to occupy that position, but that is a matter which we cannot help. We consider it our duty to submit the following, by way of substitute for the report of the majority of the Committee :

Resolved, That this Board approve the general financial policy of the Government, which has already largely reduced the national debt and appreciated the value of the currency, and earnestly recommend to Congress and the Executive an adherence to that line of policy.

Mr. GRUBB : Mr. President : I have smelted into a resolution of ten lines the results and the conclusions I have arrived at after thirty years of reflection on the finances of the nation. It will be purposeless, I am quite aware, to discuss it on this occasion, for I feel very sure that my own and a few others will be all the votes it will receive. Nevertheless, regarding it as I do, as the means which will be adopted in some shape in the eventual solution of the question, I can be content to wait. With the good old LEAR I may say, "bide your time, I can be patient."

Resolved, That the Treasury of the United States, worked as a bank, with the public money in its keeping, and in addition such private capital as may be necessary, chartered for a term of years, will be able to supply, in the opinion of this Board, every remedy necessary in restoring the present financial system to a sound condition.

The PRESIDENT : Unless otherwise ordered by the Board the consideration of the propositions in relation to bridging the Ohio and Mississippi rivers will now be resumed.

The Board then resumed the consideration of the report of the Committee upon Railway Bridges over navigable waters, etc.

Mr. TAYLOR, of Cincinnati: I wish to say a few words touching the report presented by the Committee on the Improvement of the Ohio and Mississippi rivers and the bridging of those rivers. My good friend from Chicago, (Mr. RICHARDS,) has been riding his railroad hobby again this morning, and with strange inconsistency says that he is not prepared to vote for any of these improvements, though he did vote for the Niagara ship-canal, and the water-line through Virginia, because he thought they would advance the interests of Chicago. Now I should be ashamed to give a vote, here or anywhere else, for personal or local reasons of that kind; I think that in all our deliberations here we ought to be governed by an honest view of what will best promote the interests of the country.

The PRESIDENT: The Chair would remind the gentleman that all imputations of interested motives are considered to be unparliamentary.

Mr. RICHARDS: Will the gentleman yield to me a moment?

Mr. TAYLOR: Certainly.

Mr. RICHARDS: I desire to say that it is my firm conviction that if the Mississippi route to market for grain could be made a successful one it would be for the benefit of the city of Chicago, because I believe the growth of the city depends upon the wealth of the country tributary to it. Such a route to market, if successful, would be for the benefit of Chicago, and if I believed it could be made successful I should be in favor of it.

Mr. TAYLOR: The gentleman did not so state his position when he was up before. His statement was that he was opposed to the improvement of all these water-lines, for he thought they would be superseded by railroad lines.

Now, in regard to the length of these spans, there is already a law of Congress, declaring that no bridge shall be erected over the Ohio river with a span less than four hundred feet. That resolution of Congress is supposed to have the full force of law. But the object of this report is to ask Congress to put it into effect, and to provide that the piers shall be located under the supervision of Government Engineers, because when railroad engineers come to locate a bridge they will run it diagonally across the river, or in any other way to save expense, but Government Engineers will see that the piers are so placed as not to materially obstruct the navigation of the river.

I fully recognize the right of railroads to cross our rivers whenever necessary. I think that Mr. Justice McLEAN, in the decision of the Keokuk case, laid down the true ground, that while a few years ago any obstruction of the navigation of rivers would have been resented and disallowed, now that railroads have become great channels of communication and of commerce for the country, it is necessary that the rights of rivers, so to speak, should be abridged to some extent.

We are anxious to have these bridges erected. I have voted for them on every occasion. I remember the violent opposition there was to the erection of a bridge across the Ohio river of one thousand and fifty feet span. I sustained it, and we now believe, from the experience with the Steubenville bridge, that any bridge of a less span than four hundred feet, — and we doubt if even that would be sufficient in all cases, — would be injurious to the navigation of the Ohio river. That bridge has already strewn the river with wrecks.

It is not fair to compare the bridges on the Ohio river with the bridges in Chicago. In Chicago a vessel goes in with the assistance of a steam-tug, and requires not more than four or five feet play. But in the Ohio river, with its tortuous channel and sweeping eddies, more room is required. Moreover, our steamers go down, taking barges along in tow, in some cases taking sixteen thousand tons to New Orleans on a single trip, requiring a clear breadth of at least two hundred feet.

We ask Congress to pass a law carrying out the resolution in which it unanimously concurred. There is a report before Congress, recommending that no bridges shall be allowed over the Ohio of less span than five hundred feet. And if the Western country had not been sold out in Congress by its agents, the resolution would have required five hundred feet instead of four hundred feet. We know something about the history of that matter.

It is not from any selfish motives that we press this. The Government is taking snags out of the river, and removing some small obstructions. It is a great natural channel of communication, washing the shores of several States, and we ask that it be kept free from obstruction.

In the early history of this country the art of bridge building was very little understood. A span of one hundred and fifty or two hundred feet was considered something wonderful. But there has been such progress in engineering that now a span of five hundred feet is very easily obtained. All engineers say they are very readily constructed — it is simply a matter of expense. Of course it costs a rail-

road company a little more to build a bridge with a span of four hundred than one with a span of only two hundred or three hundred feet.

There has been a great deal of declamation against railroad monopoly, and yet every gentleman who has declaimed against this, and who has wanted Congress to fix the rates of freight, and to control all the railroads of the country, is now willing to have the navigation of all the old means of communication obstructed which keep down the price of freight.

My friend from Cincinnati, (Mr. COOK,) has given this matter the most thorough consideration, and I hope will be able to satisfy the Board. I will not, therefore, continue my remarks, but I could not feel satisfied without calling attention to a few facts in connection with this subject.

Mr. TAYLOR, of St. Paul: Is the purport of the resolution under consideration to require permanent structures of this width?

Mr. TAYLOR, of Cincinnati: A clear roadway of four hundred feet. The commerce of the Ohio and Mississippi two years ago was considerably larger than that of all the upper lakes, notwithstanding the gentleman from Chicago, (Mr. RICHARDS,) says that no freight goes either up or down these rivers.

Mr. MONROE: I hoped that this bridge question would be settled without any debate. It seemed to me so reasonable and proper that while the rights of railroads across the Mississippi river, in order to facilitate commerce, should not be interfered with, the free navigation of that river, that great commercial highway, should not be obstructed any further than absolutely necessary, — all that seemed to me so reasonable that I was hoping it would give rise to no extended discussion.

As the gentleman from Cincinnati, (Mr. TAYLOR,) has said, there pass down the Ohio river, steamboats, each one of which, with its barges, will carry down to New Orleans sixteen thousand tons of freight at a single trip. How many railroad cars would it require to carry that amount of freight? It would take one hundred and six and two-thirds trains of fifteen cars each, and each car carrying ten tons of freight. There sometimes pass down the Mississippi river, — not often, I admit, — rafts covering four acres in extent, embracing one million eight hundred thousand tons of lumber. We want space enough for them to pass any bridge safely.

There has been a complete revolution, since the close of the war, in the mode of transportation. We now transport freight by barges to a great extent. Time and again there has passed Dubuque a single

steam-tug with barges carrying freight enough to load fifty or more trains of cars, and it is a common thing to see a wreck just below the bridge at Davenport.

It has been demonstrated that bridges can be built with spans of more than three hundred or four hundred feet, of one thousand feet even, and yet be perfectly safe for railroads to pass over them. Then why should we be hindered from having an outlet by water, which is the cheapest and best means of communication, when it will not prevent railroads from crossing our rivers, so that we can at the same time have the benefit of both railroad and water transportation?

The gentleman from Chicago, (Mr. RICHARDS,) mounted his railroad hobby, and gave us some statistics to show that the Pennsylvania Central railroad carried over forty millions of tons of freight during last year. Now it may have carried so many tons of freight for one mile.

Mr. RICHARDS: I said "the Pennsylvania railroads," not the Pennsylvania Central railroad.

Mr. MONROE: And he tells us that hundreds of thousands of bushels of wheat which started for New Orleans went back to Chicago. But he did not tell us how it went: all the way by water, at six cents a bushel, while the railroads charged eighteen cents for carrying it one hundred and ninety-one miles. As I have the floor, I think I will conclude by calling the previous question.

Mr. CARRINGTON: Will the gentleman withdraw that motion for a moment?

Mr. MONROE: Certainly.

Mr. CARRINGTON: I move to amend the amendment of the gentleman from Charleston, (Mr. HASTIE,) by adding the harbor of Richmond, which is emphatically in like condition with the harbors of Mobile, Savannah and Charleston.

Mr. HASTIE: I accept the amendment most cheerfully, and only regret that I did not include it in my amendment at the first.

Mr. MONROE: I now call the previous question.

The previous question was seconded, and the main question ordered.

The PRESIDENT: The main question having been ordered, all amendments are cut off, and the question will be upon the resolutions reported from the Committee.

Mr. KIRKLAND: I ask for a division of the question, and ask for a separate vote on each resolution.

The PRESIDENT: As they all relate to a single proposition the Chair will rule that the question cannot be divided.

The question was taken by yeas and nays, and two-thirds not having voted in the affirmative, — yeas thirty-six, nays twenty-two, — the resolutions were not adopted.

The vote was as follows: —

Yeas: Messrs.—

Allman,	Cullen,	Hazard,	Stokes,
Bagley,	Dawson,	Holton,	Taylor, (J. W.,)
Barkhouse,	Dupee,	Hooper,	Taylor, (S. L.,)
Baskerville,	Fraley,	Hughes,	Thompson,
Branch,	Gano,	Jeffries,	Torrence,
Campbell,	Goshorn,	Masters,	Trezevant,
Carrington,	Groner,	Morrison,	Walbridge,
Cook,	Harrison,	Ropes,	Wessel,
Crenshaw,	Hawley,	Sawyer,	Wetherill — 36.

Nays: Messrs.—

Adams,	Egan,	Keenan,	Parr,
Bowdlear,	Grubb,	Kirkland,	Plumer,
Brigham,	Hall,	Loney,	Richards,
Brown,	Hastie,	McCrea,	Seemuller,
Coleman,	Herbert,	Monroe,	Stranahan—22.
Dore,	How,		

Mr. STRANAHAN: I would suggest to the friends of this measure that the vote just taken should be reconsidered, in order that amendments may be moved which shall make it satisfactory to those who have voted against it. I, therefore, move a reconsideration.

The motion to reconsider was agreed to.

Mr. STRANAHAN: I now move to strike out that portion of the resolution fixing the length of span of bridges, leaving that matter to be determined by the judgment of the Government Engineers.

Mr. KIRKLAND: I am in favor of the General Government removing obstructions in the channels of navigable rivers and in public harbors. I am in favor of the General Government doing for

the interests of commerce what cannot be done in any other way. I, therefore, do not object to that part of these resolutions.

But I do object to an arbitrary rule of requiring all bridges to be constructed of not less than four hundred feet span. Representing the Baltimore Board of Trade in part — I think they will all concur with me in this view — I will say that I came here to represent the interests of Baltimore in connection with national interests.

We have two bridges across the Ohio river just approaching completion. They have been constructed under the act of Congress requiring a span of three hundred feet. Before the Baltimore and Ohio railroad company commenced the construction of those bridges they conferred with river men, and thereupon made those bridges with a span of three hundred and fifty-eight feet. I contend that in constructing the bridges across the Ohio river at Parkersburg and Bellaire, the Baltimore and Ohio railroad have made their span to conform to the requirements of the river men, and I say that any railroad company should confer with and conform to the interests of the river men at the point where a bridge is to cross.

Mr. HASTIE : I now move to amend the amendment by adding to it the following, which is my former amendment :

“Also that Congress make an appropriation for the improvement of the harbors of Mobile, Savannah, Charleston and Richmond, which were greatly injured during the late war.”

Mr. STRANAHAN : I accept the amendment.

Mr. COOK : I would suggest that the second resolution be so amended that the latter part will read as follows :

“In view of which the National Board of Trade asks that the Congress of the United States will enact a law that where bridges are built over the Ohio and Mississippi rivers there shall be a sufficient water-way over the channel of the rivers, and a sufficient height of span to leave navigation safe and unobstructed.”

That will not interfere at all with the amendment of the gentleman from Charleston, (Mr. HASTIE.)

Mr. STRANAHAN : I accept that form for the amendment.

Mr. COOK : I now call the previous question on the amendment.

The previous question was seconded, and the main question ordered.

Mr. HOLTON : I call for a division of the question.

The PRESIDENT : A division of the question having been called for, the first question will be upon the portion of the amendment relating to bridges across the Ohio and Mississippi rivers ; and then upon the portion of the amendment asking an appropriation for the improvement of the harbors of Mobile, Savannah, Charleston and Richmond.

The question was taken upon that part of the amendment relating to bridges : and it was agreed to.

The portion of the amendment relating to the improvement of certain harbors was then agreed to.

The question then was upon the resolutions as amended.

Mr. STRANAHAN : I now move the previous question.

The previous question was seconded, and the main question ordered.

The yeas and nays were called, and two-thirds having voted in the affirmative, — yeas fifty-nine, nays three, — the resolutions as amended were adopted.

The vote was as follows :

Yeas : Messrs.—

Adams,	Cullen,	Holton,	Ropes,
Allman,	Dawson,	Hooper,	Sampson,
Bagley,	Dore,	Hughes,	Sawyer,
Barkhouse,	Dupee,	Jeffries,	Seemuller,
Baskerville,	Egan,	Jones,	Stokes,
Bowdlear,	Fraley,	Keenan,	Stranahan,
Branch,	Gano,	Kirkland,	Taylor, (J. W.)
Bremer,	Goshorn,	Loney,	Taylor, (S. L.)
Brigham,	Groner,	Masters,	Thompson,
Brown,	Hall,	McCrea,	Torrence,
Campbell,	Harrison,	Mingle,	Trezevant,
Carrington,	Hastie,	Monroe,	Walbridge,
Coleman,	Hawley,	Morrison,	Wessel,
Cook,	Hazard,	Parr,	Wetherill—59.
Crenshaw,	Herbert,	Plumer,	

Nays : Messrs.—

Grubb,	How,	Richards—3.
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The resolutions, as adopted, were in the following form :

Resolved, That Congress be requested to make such appropriations as may be necessary to remove from the Ohio and Mississippi rivers all obstructions to the free and safe navigation of the same; and more especially for the early completion, under the supervision and direction of Government Engineers, of the work at the falls of the Ohio, the Des Moines and Rock Island rapids, and the mouth of the Mississippi, so as to afford an easy outlet to the Gulf. Also, that Congress make an appropriation for the improvement of the harbors of Mobile, Savannah, Charleston, S. C., and Richmond, Va., which were greatly injured during the late war.

Resolved, That where it is necessary to bridge the navigable waters for the use of railroads, or for any other purpose, in the construction of such bridges, a due regard for the interests of both rail and water transportation should be observed; in view of which the National Board of Trade asks the Congress of the United States to enact a law that where bridges are built over the Ohio and Mississippi rivers, there shall be a sufficient water-way over the channel of the river and height of span to leave navigation safe and unobstructed; and that piers for all such bridges shall be located under the direction and supervision of an United States Engineer, or a corps of engineers, to be designated by the Secretary of War.

Resolved, That the Executive Council be directed to present to the Congress of the United States the foregoing resolutions.

On motion of Mr. JEFFRIES, the Board then proceeded to the consideration of the resolutions reported this morning from the majority and the minority of the Committee on Finance.

Mr. KIRKLAND : I will make a brief statement of the reasons which governed the Committee in presenting this report. The first resolution, in relation to the earliest practicable resumption of specie payments is similar to a proposition which was passed by this Board last year. I think it will meet with the almost unanimous approval of this Board at this time.

There is another portion of our report which is identical with our action last year; the resolution in relation to requiring banks to retain the coin received for interest on the bonds deposited to secure their circulation, until specie payments are resumed. Such a policy

would enable the banks gradually to return to specie payments, without any violent effect being produced. I think, therefore, we may safely calculate upon that resolution being adopted by a very large majority.

Mr. HASTIE : It is a maxim in the common affairs of life, which can be applied equally well to national affairs, that when we are doing well we should be satisfied. It is now a matter of history that the Government of the United States has reduced the national debt at the rate of eight millions of dollars a month for nine months past, making a total of seventy-two million dollars, in round numbers.

In the South, we were, some years ago, enjoying as much prosperity as any country on the face of the earth. Not being satisfied, we wanted something more, and in trying to obtain it we lost what we had. We have learned something from our experience, and now when we are doing well we are satisfied to be content with it.

I believe that if we will only allow things to go on as they are, they will take care of themselves. We in the South are in no condition, at the present time, to resume specie payments. We are perfectly satisfied with things as they are. We have the best currency we ever had in this country. In that I agree with my friend from New York, (Mr. OPDYKE.) We have a circulating medium which passes current in every part of the Union. And because that currency is not equal to gold, it does not follow that we do not get as good prices as we should if we had a gold currency. We get the equivalent of gold prices for every pound of cotton that we sell. And gentlemen of the West get gold prices for every bushel of wheat that they sell because its price is predicated upon its value abroad in gold, which is worth nine per cent. more than the price of gold in our market.

I would ask gentlemen from the West: suppose we now had specie payments, and there should be a failure of the wheat crop, and we were obliged to send abroad for grain. That has already occurred in the history of this country. On the tenth of May, 1837, every bank in New York suspended specie payments. Why? Because the grain crop of the West was short, and we were obliged to import grain from Europe, and that drained us of our gold. It was during that period that one of the ROTHSCHILDS said that he would never trust an agricultural country to the amount of one dollar, if it had to import grain for the consumption of its people. And he was right.

Who is suffering with the present currency of this country? It is a fair and square thing all around, from one end of the country to the other. I say unhesitatingly that we are now enjoying, under all the

circumstances, more prosperity than any other country under the canopy of Heaven, and we should be satisfied.

Mr. STRANAHAN : I shall say but a few words upon this subject. I am prepared to vote for the first resolution which is general in its terms. But I am not prepared to vote for the remainder of the majority resolutions, as they relate to mere matters of detail, especially as I know that the message of the President is now being read in Congress, and the report of the Secretary of the Treasury is being spread before the country. I prefer that this Board should not now commit itself on questions of detail. We are safe in speaking to the general question ; we are not safe when we go into particulars.

Mr. KEENAN : I presume that it requires no apology for any member of this Board to address himself to the question now under consideration, and especially as my colleague, (Mr. HOLTON,) with whom I radically differ, and myself are called upon to express the opinions of the Chamber which in part we represent, by our words and by our votes.

It is urged that it is practicable to resume specie payments with the one hundred million dollars of gold in the public treasury, with greenbacks and national currency amounting to seven or eight hundred millions afloat, and a large amount of public and individual obligations maturing. Will that amount of gold be sufficient? I think not. A metallic currency we were acquainted with some years ago, they say it has become merchandise, and we have missed its once familiar ring. Let our people hold the paper that will procure it, and I think that paper will be presented for redemption, and so continue until the novelty has passed. But in answer, it is urged : Let Congress resolve upon specie payments, and the confidence game is a grand success.

Occasionally it is well to make haste slowly, and to consider the situation. The experience of the last few years seems to have impressed many with the idea that our resources are beyond calculation, and our liabilities quite insignificant, and necessary to keep the ship of State in good commercial trim. Flushed with the success of the hour, they fail to comprehend that as regards our generous patron of great necessities and of promises of equal magnitude, stimulated and made profitable in every branch of industry ; that for that patron (the Government,) the people are indorsers upon those promises and are called to meet the obligations maturing.

What are our resources? About one year since, in a paper emanating from the head of our Government, in mystic terms, we were told that immense treasures were locked in the mountains ; that a key

was to be forged to open them to our reach. That key, I suppose, is labor. Manual labor, and the labor of capital; labor intelligently directed, and remunerated with moderate profit.

Look over the field; how is labor rewarded? The agriculturists in the North and West, after a year of patient toil, are selling the bulk of their production at less than the cost of producing. Examine the condition of the traders and manufacturers throughout the country, and you will be told that on half time they can supply the demand for their wares. For the last year there has been no profit on legitimate business of any amount, except through grants, tariffs, and exemptions. The merchant has been subjected to the shrinking process which has overbalanced his profits. The gentleman from New York says that wheat would not sell three cents lower on a gold basis, that importers cannot sell their teas above a gold basis. Are not teas laid down in New York much higher than they were in 1860, caused by the additional duty? The difficulty to sell proves that the ability of the masses has been materially lessened to pay for coffee and tea, and many other articles of importation.

Again, it is urged that we should return to a specie basis, to prevent speculation in gold, stocks, etc. What are the inducements for capital to engage in business? Can you point out any one branch that is prosperous to-day, subject to taxation in its multiplied form, and labor at its present rates? And can labor be reduced? Mr. WELLS, of some department or bureau, has, during the last year, demonstrated that the compensation to labor, deducting direct and indirect taxation, is not equal to the wages of 1860.

Our irredeemable currency seems to find no favor with the gentleman from Baltimore. He says we are saving interest at the expense of honor. Would he have a metallic currency bearing interest, or does he consider confidence its equivalent? Will not our currency procure all that is necessary for our people, and at rates, upon the level of gold a few years since, deducting taxes, direct and indirect? Did not these shiplasters (so characterized by my colleague,) procure all that you needed on this trip to Richmond? And when could you have taken paper currency before and travelled through a dozen states without the aid of an exchange broker?

Radical changes are always avoided, and are never submitted to, unless under the plea of a great and urgent necessity. The country hesitated, Committees and Congress hesitated, and reluctantly submitted to the radical change from coin to paper basis, to save the life of the nation. That was the plea, and Congress yielded. We know the results. Inflation, and rivers of water became component parts

of all property; obligations upon that basis were made by the Government and by individuals, which still exist.

It is urged now, to reverse the programme, to pass to the other extreme. What plea is offered? What necessity presents itself? Are our creditors languishing? Is their interest allowed to lapse? No; it is promptly paid, and sometimes with anticipated dispatch. Are their securities worth less than when they purchased them, at rates in gold of from forty to seventy-five cents on the dollar? No; they have steadily advanced, and will soon be better than gold, enjoying freedom from taxation.

The West demands an increase of currency as a necessity. Money on call at six per cent. in New York, cannot be had in the West for legitimate manufacturing purposes for ten per cent., and no considerable amount at any reasonable rates. We want an increase in currency; and if it should enhance the value of wheat a few cents a bushel, and other properties in proportion, would it not be well? This decline in value of all kinds of property, is to some extent in anticipation of an attempt, whether wise or unwise, to return to a specie basis. To cap the climax of the situation, let Congress establish a specie basis, and you will witness a most stupendous corner. We shall then have cornered our liabilities, or, in other words, our creditors will have uncornered our assets, which must go into the crucible to shrink and be reduced to gold to meet these liabilities that are made secure, and honor forbids one drop of reduction from their gigantic and watery proportions.

We have confidence in our banks and currency based upon the credit of the Government bonds bearing interest in gold. Have we any less confidence in greenbacks, the issue of our Government, drawing no interest? Possibly that may be the objection. Greenbacks, or shinplasters, if you please, perform a very important office. They are the specie or redemption coin of National banks; they are a necessity to the banks, or by that power they would have been banished long since. And so necessary are they, we are told by a gentleman from New York, that at times a demand of ten or twenty millions of greenbacks upon the banks would result in ruinous disaster.

If opposed to any issue of currency that does not bear interest, why not permit and adopt a free banking system, based upon the bonds of the Government? Let it be open for all, the West and South as well as the North and East. Why continue this monopoly by restriction, if, as it has been said, in the hour of trial, capital was consulted and devised the scheme of National currency to save the credit of the Government? They said, we will buy your bonds from patriotic

motives ; they must bear interest in gold ; we must be permitted, on them, to issue a currency redeemable in greenbacks. Not a very long credit nor very great risk.

If they are to be rewarded, why not make them the pensioners of the country ? If the one hundred and sixty millions or so of interest paid from the Federal treasury, and double that amount by the people, is not sufficient, why not continue to the junior partners, their heirs and assigns, this unnecessary and wicked burden upon the people ? Sir, I am opposed to the return to specie payments until some considerable portion of our National debt is paid.

Mr. RICHARDS : It strikes me that there is a little defect in this growing theory of finance. I believe that looking constantly towards a specie basis of payment has a conservative influence upon the business of our country. I believe if it were settled in the public mind that there was to be no contraction of the currency, the result would be a large inflation in the business of the country.

Much has been said upon the question of panics, and the money markets. I think that panics are necessary in the financial atmosphere. Volcanoes and thunder-storms purify the atmosphere of nature, and I think that panics are necessary to exert a conservative influence on our finances.

I think the great error with most people, and the point has not been touched upon in this debate, is that too much significance is given to the question of currency and even of money generally. Now currency is not money at all ; it is simply an evidence of debt. And, if you please, gold and silver are not money at all, or rather are not wealth. They are simply of value in people's minds for what they will buy. It will make no difference whether the currency of this country is seven hundred and eighty million or one billion five hundred million, or three billion dollars, as to the amount of property that currency will buy. A currency of three hundred million dollars will buy just as much property as a currency of one billion seven hundred million dollars. And allow me to say that if there were only one hundred million dollars of gold in the entire world, it would buy just as much property as there is in the world ; and in that respect there would be no change.

There is only one thing that would be changed in our business matters, should we change the character of our currency, and that is, the nominal amount that people would own. If a man to-day is worth a million of dollars, with our present currency, should we return to specie payments with our currency at eighty cents on the dollar in gold, he would then be worth eight hundred thousand dollars. And

property throughout the whole country would be reduced in proportion.

I undertake to say that the world could get along without any money at all; that this country could get along without either gold or currency. The wealth of a country consists in the net value of its products. Does anybody suppose that if we had neither gold nor currency we should therefore stop all labor and production? Not at all; but there would be some inconvenience about it, to be sure. You and I and other men who have property which we desire to exchange would be inconvenienced somewhat. Money is desirable for the purposes of exchange of property. Currency is an evidence of debt. Gold is not wealth, and is only useful for what it will buy.

The question of the ability of the Government to resume specie payments has been discussed. Now there is no question about that. What are the liabilities of the Government to-day? Only about four hundred millions of dollars. The Government to-day could retire every dollar of its present liabilities by selling bonds, and still have one hundred million dollars in gold in its vaults. The Government can resume specie payments at once, and it would make no difference in your property or mine, or in that of any man in the United States, if specie payments were resumed to-morrow, except in regard to the matter of debts.

As I said before, there is only one thing fixed and specific, that does not change with the currency, and that is debt. To-day a dollar is worth eighty cents. If to-morrow we make the dollar worth one hundred and fifty cents, we have only increased the liability of individuals, who owe debts.

There is only one of two plans to be adopted, as it seems to me, one is to resume specie payments forthwith, and take eighty cents on the dollar for all debts; the other is to work along for a time, and bring our currency up to par. That is all that there is of it.

Now what had we better do? I have been informed that the Supreme Court of the United States is of the opinion that paper money is not a legal-tender. Such a decision is expected some time or the other, the only question is as to the time. It strikes me that if we do not do anything towards reaching a specie standard of value, that time will probably soon come. I think such a decision would improve the value of the currency, but I have no doubt that in a very short time it would cease to be the money of account. People would enter into gold contracts immediately. I think our thoughts should be turned towards specie payments, and that we should make a little advance in that direction.

Mr. LONEY : I move to amend the third resolution, reported by the majority, by striking out the following words :—“ And that all such banks be permitted to issue circulating notes to an extent not exceeding the amount of legal-tenders hereafter withdrawn and cancelled, and in no case exceeding one-half of the amount of paid up capital of the banks issuing them.”

If that amendment should be adopted, the resolution would then read as follows :

Resolved, That we also recommend to Congress the authorization of new national banks for those parts of the country which have not yet obtained their due proportion of the same.

The question was taken upon the amendment of Mr. LONEY, and it was not agreed to.

Mr. BROWN : I hold that the Government should authorize the issue to the West and South of currency upon the same terms and in the same manner that it is issued to the citizens of the East. As an Eastern man I do not recognize any right on the part of the East to enjoy any privileges over the South and the West. I had hoped that the gentleman from Baltimore, (Mr. LONEY,) would add that to his proposition.

I represent the State of Maine, — I say the State of Maine, because, though I am from Portland, there is no other delegate here from that State. I wish the members of this National Board of Trade to understand somewhat the views of the people of that far off State.

We do not make much pretension to great wealth, but we want to pay our debts and to know exactly what we have and where we are. I contend that under our present system of currency we do not know what we have. A year ago, at Cincinnati, I took occasion to state my views of the duty of the people of this country in reference to the national debt. I then said that it should be held sacred, and that every dollar of the debt of the Government should be paid, and I am happy to say that the Board almost unanimously indorsed that idea.

Now I want the Government to do something on its part. I want it to pay its debts, not, however, by buying up that which is not due, for that is not yet a part of the debt. Let the Government take up its greenbacks, and in that way show that it can and will do something. I do not care much how this payment of the debt is accomplished. I believe the people would be satisfied if they knew that the Government was determined to pay its debts, and would begin to do so. I am satisfied that the people would sustain it in so doing.

I do not believe that this rich country should have a floating debt of three hundred millions or four hundred millions of dollars, and redeem none of it, for that is disgraceful to us all. If the Government cannot pay the whole at once, let it begin to do something, let it at least take the first step towards it.

I believe this rich country can resume specie payments, and I think it is bad policy for any member of this Board to undertake to say that any great disasters will follow such a course. I do not believe any such results will follow the resumption of specie payments. If this Government will only give the banks to understand that they must do something they will begin to prepare themselves for it. That is the position I occupy.

My people do not want the Government to be rash in this thing, but they want it to begin to do something. They say — “If you can take up but five million dollars of greenbacks a year, then do that; at least do something.” If the Government will commence taking up its greenbacks, and then follow out the suggestion of your Committee, issue additional national currency to the amount of greenbacks retired and cancelled, the banks will at once begin to place themselves in a position to meet the case. And I have no doubt they can do it.

Mr. ROPES : I ask the privilege of explaining a point just raised by the gentleman from Portland, (Mr. BROWN.) I was the only member on the Committee from New England. The point we had in view was this, not that we had any desire to withhold from other States any advantages possessed by Massachusetts, but we did not believe that any bank ought at this time to have more than half of its capital locked up in Washington as security for its circulation. I should rejoice to see every bank in Massachusetts restricted to the same limits that we propose for the new banks in the South and West. We all look forward to a not distant day when there will be a resumption of specie payments, and free banking all over the land.

Mr. TAYLOR, of St. Paul : I do not rise to take any part in this general debate. I had the honor to speak the other day upon this general subject, and I do not propose now to extend my observations upon it.

But on that occasion I was restrained by the authority of some statements made by the gentleman from New York, (Mr. OPDYKE;) I so far distrusted the accuracy of figures in my possession that I withheld them. But I now consider it my duty to present those statistics, in order that I may have the opinion of other gentlemen upon their accuracy.

I want to make a brief statement in regard to the volume of currency in the United States at this time, as compared with the currency of the other great commercial nations. On my way to this place I saw a late number of the *London Economist*, which gave the entire circulation of Great Britain and Ireland at two hundred millions of dollars in paper. I am told that there is not a bank note in England of less than five pounds, or twenty-five dollars. There are one pound notes in Scotland and Ireland, but they are not seen in business transactions in England. I should therefore assume that if they have only two hundred million dollars of paper circulation, with no bank note in England of less than twenty-five dollars, and in Scotland and Ireland of less than five dollars, there must be four hundred millions of dollars of gold and silver coin required for the necessities of the people. I have seen another statement, that there is precisely the sum of six hundred millions of dollars of gold, silver and paper in circulation as money in England. And if you will turn to the article on "money," in *Chambers's Encyclopedia*, you will find a similar statement. In Great Britain and Ireland there are about thirty millions of people, so that the currency of all kinds there will be about twenty dollars a head.

The portion of the United States lying east of the Rocky mountains, with an exclusively paper circulation, has, at the highest estimate, about seven hundred millions of dollars in circulation, and there are probably thirty-five millions of people. An eminent statistician has lately communicated his opinion to the Secretary of the Treasury that there are forty millions in the United States. In my opinion there are about thirty-five millions east of the Rocky Mountains. And assuming that there is a circulation of seven hundred millions of dollars, that would make twenty dollars a head, the exact proportion that there is in England.

France has about two hundred and seventy-five millions of dollars of paper in circulation, with no bank notes in the empire of a less denomination than fifty francs. The *Westminster Review* states that the amount of circulation in France is twenty-five dollars *per capita*. How is it with our Pacific States and Territories? There are a million of people there who use bullion alone for currency. The *San Francisco Mercantile Gazette* made a statement that they require twenty-five million dollars of that bullion for purposes of money, or twenty-five dollars *per capita*. Thus the hard money countries of France and the Pacific Coast require a circulation of twenty-five dollars *per capita*, while the comparatively paper money countries of Great Britain and the United States require a circulation of twenty dollars *per capita*.

Now if these are facts, we have no excess of circulation. And if this Government will take the patriotic stand advocated by the gentleman from Portland, (Mr. BROWN,) authorize the issue of a four per cent. loan, and take the proceeds for our necessities, we shall have specie payments resumed soon, and without any trouble. If these statements are incorrect, I should like to have them contradicted. If they are correct, then we are in the condition of the unfortunate man who, in the darkness of the night, stumbled into a pit. As he fell over he caught hold of some projection on the edge, and straining every nerve to avoid falling further, and being dashed in pieces, he succeeded in holding on until daylight enabled him to take a survey of his situation. Upon looking down below he found that he had been clinging there all the night, with his feet but a few inches from the bottom.

Mr. KIRKLAND: I desire to hear from you, Mr. President, on this subject. I will call the previous question and withdraw the call in order that you may be heard.

Mr. EGAN took the Chair temporarily.

Mr. FRALEY: I fear, gentlemen, that I cannot say much to enlighten you on this subject, or to guide you to correct conclusions upon the propositions now under consideration.

Our friend from New York, (Mr. OPDYKE,) told us last Friday that he had studied this question for a quarter of a century, and he gave us the conclusions at which he had arrived. I have been studying this question for something over half a century; I have studied it under various aspects, — aspects growing out of the conditions to which the country has been reduced by war, by panic, and, to a partial extent, by famine. Upon each of those occasions, certain remedies were applied, sometimes partial and moderate in their character, at other times general and deep-reaching. And in the history of this country we have the result in each case. I will not refer to periods beyond my own recollection, for the events of preceding periods are fully recorded in the published history of our country. All that I shall venture to do will be to briefly give you the result of my own experience and observations upon this subject.

I recollect that immediately after the outbreak of the war of 1812 there was a suspension of specie payments almost everywhere in this country, except in the northeastern part of the then United States. Our New England brethren have always been strong upon this question of specie payments, and I honor them for it. In this respect they have always maintained the credit of their banks and of their

States to the last hour. We had then what amounted to a general suspension of specie payments. I have seen the copper currency of the United States selling at a higher premium than we have witnessed on gold of late years. The remedy which was applied after the close of the war, was the establishment of the Bank of the United States. That, in conjunction with a bankrupt law, brought about resumption, but it almost ruined the people. It accomplished the result of specie payments, but we had to submit to what my friend from Chicago, (Mr. RICHARDS,) has alluded to, the scaling down of debts and the absolute loss of a considerable proportion of them. That was the result of the resumption of specie payments at that time, after the close of a war.

We had another memorable suspension of specie payments in 1837, growing out of an inflation of the paper currency, and certain relations between this country and foreign countries, growing out of the compromise acts, which reduced our duties to an *ad valorem* of twenty per cent. on all those articles which were dutiable, and with a large increase of the free list. The banks suspended in 1837, and it was several years before anything like an active movement took place for the restoration of specie payments, because everybody felt, as we have been feeling for the last few years, that we were not quite ready for it. At length it came; specie payments were resumed, and the banks were ready to redeem in coin the obligations they had out. But before that took place, while they were ready to redeem their obligations in coin, gold ceased to command a premium, and, as measured by the relations of this country with foreign countries, it was even below par. I myself, while I was a merchant, from 1837 to 1840, bought bills on England at four per cent. premium, which was less than par. I recollect very well one occasion when gold was actually imported into the United States as an article of merchandise, paid for in our currency, and disposed of at a profit. I received from North Carolina a box of gold containing the sovereigns of Great Britain in just the same condition in which they had been exported from London, under the seal of the bank. We secured the restoration of specie payments, so far as the currency of the banks was concerned. But there was a large mass of indebtedness due by the people, not only to the banks, but to individuals. We again took up the sponge of a bankruptcy act and wiped out all those debts by what may be called the legal process of repudiation.

Now how do we stand at the present moment? We have a suspension of specie payments growing out of an almost unexampled war, a war over which the tears of patriots in every section of our country have been abundantly shed. But in the light of the experience which

this war has taught us, every patriot is now rejoicing in smiles and hope. Now how shall we reach resumption?

[Here the hammer fell, the ten minutes allowed under the rule having expired. Leave to proceed was granted.]

I believe that we are not now in a very different position from the one we were in in 1837, or rather after the resumption then, when our banks were ready to resume specie payments. I think we are about as ready now as we were then. It seems to me that the only direction in which we ought to look, is to where the present currency of the United States shall be made equal to specie, and command specie at par of the face of the notes, if the holders of those notes desire to have specie. At the period to which I have referred, growing out of the resumption of specie payments after the suspension of 1837, any one holding a bank note could, before the banks had resumed, convert his bank note into specie at will without any difficulty, and without the payment of anything but a nominal premium, if any at all.

What is our condition at this time? We have a paper currency of about seven hundred million dollars, which, as has been said upon this floor, is circulating throughout the entire country, affecting the exchanges, and the products of the country are paid for with that currency at specie prices. I believe that is true to a very great extent; that practically we are so near specie payments that it is not a thing that any one should be very anxious about. I think that the administration of a slight tonic would effect that desirable purpose without a great deal of difficulty.

We are suffering now from two currencies: a currency which is intended for a certain kind of transactions, and which is not convertible into specie at will; and a currency which, so far as we are concerned among ourselves, can be used for only one purpose, the payment of duties upon imports. We see now that there is a daily demand in the United States for five hundred thousand dollars in gold for the payment of duties to the Government. In my judgment it is this disturbing element which obstructs the equalization of our currency more than anything else.

I feel satisfied, from the reflection I have given to this subject since our last session, that the way to what is called the restoration of specie payments, but to what I call the equalization of the currency with specie, is through the custom-house. (Applause.) The very moment you make a national bank note or a greenback as effective as gold for the payment of duties, that moment you will see the premium on gold

sinking to par, or so near it that no one need trouble himself further about this question. (Renewed applause.) And my process would be to begin in that direction.

I submitted this proposition to the Board at Cincinnati last year, near the close of its proceedings. I had the good fortune to obtain for the proposition a majority of the votes of the delegates then present; but failing to get a two-thirds vote, it could not be considered as a recommendation of the Board. But I still believe our true pathway to the equalization of our currency with specie is through the custom-house, by gradually introducing it as an element in the payment of duties.

And I want it to be done through the custom-house for an additional reason, that it is in the interest of labor in this country. I think if anything should be permanent and uniform in its character it is taxation. Now, under the system that is in operation, we have seen the taxation varying, which is imposed upon the labor and business of this country through the instrumentality of the custom-house. For instance, with gold at one hundred and forty, a duty of fifty per cent. would be equal to seventy per cent. in currency; while with gold at one hundred and twenty, it would be equal to only sixty per cent. in currency. We have seen this process of unequal taxation going on in this way, and pressing upon this country to the great disturbance of all our proper business interests, and as I think, to the infliction of very great evils upon the community at large.

If we equalize our currency with specie in the way I have suggested, we shall solve, along with the question of specie payments, a considerable part of the great tariff question. If the average rate of duties upon the imports of this country at this time be forty per cent., and if the premium upon gold be equal to forty per cent., then the tariff for duties amounts to fifty-six per cent. in currency. If by any process you bring currency up to specie, your rate of duty would be forty per cent. in currency, instead of fifty-six per cent. To that extent, therefore, you would be working a reduction of the tariff, and working it too in that gradual way which the country will be able to bear easily, and which the manufacturers and laborers of this country will readily submit to.

I may say a word here in regard to the disposition which was made of my proposition at Cincinnati. My friend from Boston, (Mr. ROPES,) in explaining his vote, said he voted against it because it would reduce the protection to American manufacturers. Now I want to have protection to American manufacturers, but I want that protection to rest upon a stable foundation. I do not want it to be fifty-six

per cent. this week, and then have it brought down to forty per cent. next week, because that is injurious not only to the manufacturer but to the community. Therefore, I want to go down to what my friend from Milwaukie, (Mr. HOLTON,) called the true rock bottom. I want to reach that condition of things in which every dollar of the paper currency of the United States can be converted into specie at will.

I then want to establish as many National banks as the public call for, and to impose upon the National banks a further restriction besides the one proposed in the resolutions under consideration. I would have them trusted in the issue of their paper money to the extent to which the people are willing to give them credit; and then I would make it as obligatory upon them to redeem their notes in coin, as it is obligatory upon us, in order to sustain life, to take in each minute the requisite number of breathings of the atmosphere with which the good God has surrounded us.

I will say in a word that in the settlement of this question I wish our road to it to be through the custom-house. I desire that as speedily as possible there shall be established the same currency for all classes of the creditors of the United States, and that that currency shall be equal to specie. I desire that the Government shall enact a general banking law that will found all issues of currency upon deposits of United States bonds, and that every bank shall be obliged, upon peril of being closed by the mere protest of a notary public, to redeem its notes in coin on demand. Then I would remove from the banks all these restrictions about reserves, for they really never amount to anything when an emergency comes, and they cannot be carried into practice without a fraud upon the Government and the community, for statements must be figured up almost every week in some way in order to establish the fact of the reserve which a bank is required to keep on hand. Gentlemen will understand that it is impossible that a bank can, hour by hour, preserve these limits of percentages, when its customers are continually depositing and withdrawing money.

In reference to that point, I would say, that the Bank of England rests upon this same fictitious system of a certain reserve of specie to cover its bank-note circulation. And yet, what does it do every time there is a panic? This provision of the charter of the Bank of England is held in abeyance by an order in council, and the restriction is removed. The bank then increases its circulation, according to its best judgment, which I think is the true rule. It can go on, even as it did in the panic two years ago, paying out specie, the restriction of its charter having been removed.

I think that we ought to introduce into our banking system the abandonment of this requirement for a certain percentage of reserve. It is all nonsense; there is no use in it; it does no good; it is a fraud upon the community. It exists in appearance only, in the bank accounts made from time to time, on the admonitions that come from the Secretary of the Treasury to prepare certain statements.

What I want is a speedy restoration of specie payments, and I think we are steadily tending in that direction. I fear that if we embarrass the first proposition of our Committee, which is now under consideration, with any detailed system or plan, we may not accomplish what we want as early as we should, by keeping the attention of the people steadily directed towards it, and leaving it to time, and to the good sense of Congress, and of the people to press this matter to a solution in some satisfactory manner. (Applause.)

I have no doubt that the passage of the first resolution reported by the Committee is about all that we should do in regard to this question at this time. Each one of us, as a member of this Board and as a merchant, has his favorite project for the restoration of specie payments. Many of us have had an opportunity to explain our views here and to circulate them throughout the country. We have had the benefit of the suggestions of those who have enlightened us here upon this question. I have no doubt that all of us have had our opinions materially modified by the discussion which has taken place.

I think the influences that are now in operation will do more to bring about a restoration of specie payments, than any specific plan, however perfect, which we can adopt here. This great question will adjust itself gradually to the condition of our country.

I believe the great difference between our country and those countries which have been referred to by the gentleman from St. Paul, (Mr. TAYLOR,) is this: Great Britain, in extent of territory, I suppose, is about equal to three States of this Union. Everything there is compact; everything there is easy of adjustment, which is a great feature in the case. And so in regard to France, to which the gentleman also referred. France is compact in territory, thickly settled, with its commercial operations not widely extended as they are in this country.

Gentlemen must remember that the amount of money necessary for circulation in a country like this cannot be measured merely by the number of people, but that distance is an important element in the calculation, the space over which every dollar has to travel in order to work out its function of exchange. One hundred men placed one foot

apart can pass a dollar from hand to hand with very great rapidity. Place them a mile apart and what a difference there will be in the time for such an operation.

And so it is in regard to this country of ours. Gentlemen say that seven hundred million dollars of currency is too much for us to have. There was a time, and very recently, when I thought so, too. But I have seen something of the developments going on in our country, of the new enterprises which are springing up everywhere. I am now satisfied that whereas, in 1837, in an inflated condition of the currency, it took, I will say, one hundred and fifty million dollars to accomplish a given amount of business, at the present time six hundred million dollars will not do as much proportionately in effecting the exchanges of the country.

Gentlemen, I thank you for the indulgence you have extended to me. I know I have presented my views very imperfectly. I will conclude by expressing this wish; that while we shall express a strong desire for the resumption of specie payments at the earliest practicable period, we shall not at the present time express our preference for any particular mode of accomplishing that desirable result. Let us all look to this one end; that when that shall be reached there shall also be perfect freedom in banking, upon the principle of immediate convertibility.

The President concluded his remarks amid great applause, and thereupon resumed the Chair.

Mr. ROPES : I desire to say that, individually, I am opposed to the plan just submitted by our worthy presiding officer, because, first, I do not think it is equal to the emergency. In the second place, I believe if the process were commenced it would last so long that it would in all probability lead to a deficiency of the amount of gold necessary to meet the requirements of the National credit.

I cannot help saying also that a great many of the arguments upon this question which have been urged here, are altogether irrelevant. We have had a very long and a very earnest speech, this morning, against the immediate resumption of specie payments. We have had such a speech half a dozen times. Now, I doubt if there is a man on this floor who supposes that immediate resumption is practicable, or that we can have it in less than two years at the very earliest. If so, then what is the use of all this argument about the great destruction to be caused by an immediate resumption? As I understand it, the object of the first resolution now under consideration, is to declare to the Congress of the nation that in our opinion our whole

outlook should be in the direction of specie payments. That is the whole object of this first resolution, and it will, I suppose, be adopted unanimously by this Board.

Then comes the question, shall we recommend anything specific to Congress? It is argued that we should not do so for two reasons. The first is that it is disrespectful to Congress, and of doubtful propriety to endeavor to anticipate anything that General GRANT may be saying at this moment in his message to Congress. Now I am glad that this matter has come up here before we can know anything about what may be the recommendations of the President and the Secretary of the Treasury upon the subject, for I do not think that any supposition as to what Congress may or may not do should have any influence upon our votes here. It is for us to inform them what our views are. I am satisfied that if we can agree among ourselves upon a proper course to be pursued, if it does not command the immediate assent of Congress, or the approval of the Secretary of the Treasury, it will at least command the respectful consideration and the ultimate assent of the country, and Congress will eventually be obliged to embody it in suitable legislation.

The main proposition before us is that of a funding bill. It is a proposition brought forward by Mr. SHERMAN, of Ohio, in the United States Senate, with the advice of others, and which he had the good sense to adopt and use. It is no new thing.

The gentleman from New York, (Mr. OPDYKE,) who opposed very strongly this part of our report, nevertheless admitted that in any event the measure would be perfectly harmless and inoperative. I would say to him, and to others who think with him, why object to trying what you say will be a perfectly inoperative measure? For one, I want to try it.

Now one word in regard to the argument that we are on the verge of a fearful financial crisis, and anything we can do will only precipitate it. I differ with the gentleman in that. I think he forgets that in all our former financial crises the currency of the country depended upon the solvency of our banking institutions. The banks then stopped specie payments, before there was any panic, on their notes. What is the condition of things at this time? We have a currency of seven hundred and fifty millions of dollars circulating from hand to hand, and guaranteed by all the wealth of this country, and by the honor of this Government. And it will continue to perform the office of a currency, even though every bank in the country should fail to-morrow. The gentleman failed to consider that circumstance, which I rely upon to avert the general panic of which he speaks.

But I do hope there will be panic enough to shake down the operators and speculators who desire to make a million apiece, even if they involve the nation in ruin and disaster.

We want to reduce the legal-tender circulation and to issue national bank notes to the extent of that reduction. And we ask that every bank that shall issue any of this additional circulation shall first have double the amount of *bona fide* capital.

The PRESIDENT : Will the gentleman yield a moment for a question ?

Mr. ROPES : Certainly, with pleasure.

The PRESIDENT : I observe that the phraseology of the third resolution — I did not refer to it in my remarks, though I intended to do so — makes a distinction between national banks now in existence, and those hereafter to be authorized, imposing a different rule upon the one from that imposed upon the other. The existing banks are not required by the resolution to reduce their circulation to one-half of their capital, while the banks hereafter established are to be brought under that rule.

Mr. ROPES : I understand that, and I believe, and I think the most of the Committee believe, that it is not wise or safe to permit a bank to have more than one-half of its capital locked up in United States bonds. Therefore, though unfortunately we have so many banks organized on what we believe to be a false basis, we do not want to have any more so organized. I believe there are many banks in Boston at this time that come within that limit. I have heard of two banks there which, with an aggregate capital of three millions of dollars have a circulation of but one million five hundred thousand dollars. And I am informed that such is the case in Baltimore. And business men who want money, and not merely paper, redeemable promises, know that it is necessary for a bank to keep a part of its capital in its own hands.

The question involved in the last resolution, of requiring banks to lock up the interest received on their bonds, has been already twice agreed to by this Board, once in Boston and once in Cincinnati. It is merely reaffirming the general principle that a little gold should be laid up by the banks as a provision for the redemption of their circulation.

At the request of the Chairman of the Committee I now call the previous question.

The previous question was seconded, and the main question ordered.

The first question was upon the substitute proposed by Mr. GRUBB, which was not agreed to.

The next question was upon the substitute submitted by Mr. HASTIE, which was lost by a vote of twenty-four yeas and thirty-six nays.

Mr. DORE : Inasmuch as this resolution does not contemplate any withdrawal of the greenbacks, which are evidences of a forced loan, and of bad faith on the part of the Government, I prefer to adopt some mode of causing that evidence to disappear. I therefore vote "No."

Mr. GANO : I am not opposed to this resolution as an expression of the opinion of this Board, but I am opposed to it as a substitute for the report of the Committee. I therefore vote "No."

The vote was as follows : —

Yeas : Messrs.—

Allman,	Carrington,	Herbert,	Mingle,
Bagley,	Crenshaw,	How,	Sawyer,
Barkhouse,	Egan,	Hughes,	Seemuller,
Baskerville,	Fraley,	Jeffries,	Stokes,
Brigham,	Hastie,	Loney,	Walbridge,
Campbell,	Hazard,	McCrea,	Wetherill—24.

Nays : Messrs. —

Adams,	Dupee,	Hooper,	Ropes,
Bowdlear,	Gano,	Jones,	Sampson,
Branch,	Goshorn,	Keenan,	Stranahan,
Bremer,	Groner,	Kirkland,	Taylor, (J. W.,)
Brown,	Grubb,	Masters,	Taylor, (S. L.,)
Coleman,	Hall,	Morrison,	Thompson,
Cook,	Harrison,	Parr,	Torrence,
Dawson,	Hawley,	Plumer,	Trezevant,
Dore,	Holton,	Richards,	Wessel — 36.

The PRESIDENT : The next question is upon the resolutions reported by the majority of the Committee, the first of these resolutions will be read.

The resolution was read as follows :

Resolved, That in the opinion of this Board the best interests of the country imperatively demand the restoration of the specie standard of value at the earliest practicable period.

The question was taken, and this resolution was unanimously agreed to.

The next resolution was as follows:—

Resolved, That this Board recommends to Congress the immediate passage of a Funding Bill, providing for the issue of bonds at par in exchange for legal-tender notes, such bonds to be payable in gold, in not less than thirty years, with interest at four per cent. per annum, payable in coin; and that all legal-tender notes thus funded be withdrawn from circulation and cancelled, until the amount outstanding shall be reduced to three hundred million dollars.

The question was taken by yeas and nays; the vote stood yeas twenty-four, nays thirty-six, and the resolution was not adopted.

The vote was as follows:—

Yeas: Messrs.—

Bowdlear,	Groner,	Parr,	Taylor, (J. W.,)
Bremer,	Hawley,	Plumer,	Taylor, (S. L.,)
Brown,	Holton,	Richards,	Thompson,
Dore,	Hooper,	Ropes,	Torrence,
Dupee,	Kirkland,	Sampson,	Trezevant,
Goshorn,	Morrison,	Seemuller,	Wessel — 24.

Nays: Messrs.—

Adams,	Coleman,	Harrison,	Loney,
Allman,	Cook,	Hastie,	Masters,
Bagley,	Crenshaw,	Hazard,	McCrea,
Barkhouse,	Dawson,	Herbert,	Mingle,
Baskerville,	Egan,	How,	Sawyer,
Branch,	Fraley,	Hughes,	Stokes,
Brigham,	Gano,	Jeffries,	Stranahan,
Campbell,	Grubb,	Jones,	Walbridge,
Carrington,	Hall,	Keenan,	Wetherill — 36.

The third resolution was then in order:

Resolved, That we also recommend to Congress the authorization of new National Banks for those parts of the country which have not yet obtained their due proportion of the same, and that all such

banks be permitted to issue circulating notes to an extent not exceeding the amount of legal-tender notes hereafter withdrawn and cancelled, and in no case exceeding one-half the amount of paid-up capital of the banks issuing them.

The question was taken by yeas and nays, and the resolution was not agreed to, yeas twenty-five, nays thirty-five.

Mr. COOK: I shall vote "no" on this resolution, on the ground that it contemplates a withdrawal of legal-tender notes, to which I am opposed.

The vote was as follows:—

Yeas: Messrs.—

Bagley,	Egan,	McCrea,	Taylor (S. L.,)
Barkhouse,	Gano,	Morrison,	Thompson,
Bowdlear,	Groner,	Parr,	Trezevant,
Bremer,	Hawley,	Plumer,	Wessel — 25.
Brown,	Holton,	Richards,	
Dore,	Jeffries,	Ropes,	
Dupee,	Kirkland,	Sampson,	

Nays: Messrs.—

Adams,	Crenshaw,	Herbert,	Sawyer,
Allman,	Dawson,	Hooper,	Seemuller,
Baskerville,	Fraley,	Howe,	Stokes,
Branch,	Goshorn,	Hughes,	Stranahan,
Brigham,	Grubb,	Jones,	Taylor, (J. W.,)
Campbell,	Hall,	Keenan,	Torrence,
Carrington,	Harrison,	Loney,	Walbridge,
Coleman,	Hastie,	Masters,	Wetherill — 35.
Cook,	Hazard,	Mingle,	

The fourth and last resolution was as follows:—

Resolved, That the National Banks should be required by law to retain the coin, received for interest on the bonds deposited to secure their circulation, until specie payments are resumed.

The question was taken by yeas and nays, and two-thirds not having voted in the affirmative—yeas thirty-three, nays twenty-seven—the resolution was not adopted.

Mr. PARR: I am in favor of every proposition that looks towards or even squints at a resumption of specie payments; I therefore vote "aye."

The vote was as follows:—

Yeas: Messrs.—

Allman,	Egan,	McCrea,	Taylor, (S. L.,)
Bowdlear,	Fraley,	Morrison,	Thompson,
Branch,	Gano,	Parr,	Torrence,
Bremer,	Hawley,	Plumer,	Trezevant,
Brigham,	Hazard,	Richards,	Wessel,
Brown,	Holton,	Ropes,	Wetherill — 33.
Cook,	Hooper,	Sampson,	
Dore,	Jeffries,	Sawyer,	
Dupee,	Kirkland,	Taylor, (J. W.,)	

Nays: Messrs.—

Adams,	Crenshaw,	Hastie,	Masters,
Bagley,	Dawson,	Herbert,	Mingle,
Barkhouse,	Goshorn,	How,	Seemuller,
Baskerville,	Groner,	Hughes,	Stokes,
Campbell,	Grubb,	Jones,	Stranahan,
Carrington,	Hall,	Keenan,	Walbridge—27.
Coleman,	Harrison,	Loney,	

The Board, (at two o'clock and fifteen minutes, P.M.) took a recess, pursuant to its previous vote.

--- EVENING SESSION.

The Board reassembled at half past three o'clock, P.M.

Mr. WETHERILL: I desire to submit a resolution which will give rise to no debate. I hope the good intention with which I offer it, will lead to its adoption without discussion. I offer the following:—

Resolved, That this Board instruct its Secretary to publish the report of its proceedings directly from the reporter's notes, and not from the future revised speeches of its members.

I offer this resolution because those of us who do not revise what we say on this floor, but whose remarks are published as they are reported, may sometimes appear in the printed report as not replying to what appears as the remarks of those members who rewrite their speeches, and leave out that upon which our remarks may have been based at the time they were uttered.

The PRESIDENT: The Executive Council have already taken order on that subject, and given directions to the Secretary accordingly.

Mr. WETHERILL: I was not aware of that. I will withdraw my resolution.

Mr. GANO: I ask leave to submit a resolution, of which I gave notice the other day, as follows:—

Resolved, That the discussions, propositions and resolutions, adopted by this Board, with reference to the subject of finance, be published in a cheap form as soon as possible, for distribution among our Senators and Representatives in Congress.

I submit this resolution because it would be desirable, inasmuch as we are not able to suggest thoroughly practical propositions concerning the subject of finance, that the different views expressed by merchants and men of experience on this question, shall be laid before members of Congress, together with such propositions as we may adopt.

Mr. STRANAHAN: Does that include the debates?

Mr. GANO: Yes; in order that the views expressed by gentlemen here may go before Congress.

Leave was granted to introduce the resolution, but after some discussion it was not agreed to.

Mr. BRANCH: I voted this morning against the third resolution reported from the Committee on Finance, recommending that Congress authorize new national banks in those parts of the country which have not yet obtained their due proportion. I do not suppose that any one here is opposed to that, but that the opposition was to the latter part of the resolution limiting the circulation of these new

banks. Having voted with the prevailing side on that resolution, I now ask leave to introduce the following resolution for consideration at this time :

Resolved, That this Board respectfully recommends to Congress an early repeal of the twenty-seventh section of the National Banking law of 1864, which restricts the circulation to three hundred million dollars ; and that Congress authorize the establishment of new banks in those parts of the country which have not yet obtained their due proportion of the same.

There are some parts of the country where these banks are needed very much. If there is no objection, I would ask leave to submit the resolution I have read.

The question was taken, and upon a division, leave was not granted by a vote of yeas seventeen, nays twenty-five.

Mr. JEFFRIES : I move to proceed to the consideration of the next business on the programme, which I believe is proposition number twenty-five.

The motion was agreed to.

XXV.—UNIFORMITY IN THE RATE OF INTEREST.

The passage of a law by Congress superseding the usury laws of the several States, and making seven per cent. per annum the uniform rate of interest, when no contract has been made for any other rate ; and authorizing contracts to be made in writing, for the use of money, at any rate of interest upon which parties able and willing to contract for the same may agree.

Mr. JEFFRIES : I offer the following resolution :

Resolved, That proposition number twenty-five of the official programme, in relation to uniformity in the rate of interest, be referred to the Executive Council, with power to frame resolutions in accordance with its recommendations, and that copies of these be sent to the members of the United States Senate and the House of Representatives.

Mr. LONEY : I offer the following, as a substitute :

Resolved, That Congress be petitioned to amend the National Banking law so as to establish seven per cent. per annum as the

uniform rate of interest to be charged by the National Banks when no contract has been made for any other rate; and authorizing them to make contracts, for the use of money, at any rate that may be agreed upon.

The PRESIDENT : The Chair is of the opinion that the resolution last read is not sufficiently germane to the resolution of the gentleman from Philadelphia, to be in order at this time.

Mr. ROPES : Has not Congress, in the National Banking law, recognized the right of States to regulate for themselves the rate of interest? If so, are we prepared to change that constitutional practice?

Mr. HASTIE : At the termination of the late war the Charleston Board of Trade made a movement to influence the action of the first provisional Legislature of the State of South Carolina upon this subject, and after a very great effort we did succeed in doing away entirely with the usury laws of our State. Now in our State, when no special rate of interest is contracted for, a man can charge whatever interest he likes to which the other party will assent. I assure you the plan has worked remarkably well, and at this time money is cheaper in Charleston, with all our poverty, than it is in the city of New York.

So far as regards Congress passing a general law establishing an uniform rate of interest, I cannot see that Congress has the power to interfere with our State laws on this subject. I should like to hear this question discussed here; and shall oppose its reference to the Executive Council.

Mr. HAWLEY : I should like to have this question brought to a direct vote in this Board. For that purpose I move to amend the proposition in the original programme so as to make it a recommendation of this Board to the several State legislatures to establish an uniform rate of interest. That I think will obviate the objection raised, and very properly in my opinion, by the gentleman from Boston, (Mr. ROPES.)

Mr. GRUBB : Before that is done, I move to amend the original proposition by inserting "six per cent." instead of "seven per cent.," as the rate of interest.

Mr. WETHERILL : I hope that motion will not prevail; and I hope also the amendment of the gentleman from Detroit, (Mr. HAWLEY,) will not prevail. We all know very well that where any State imagines it can pay a higher rate of interest than is paid in

other States, for the purpose of inducing capital to come within its borders, it will do so, to secure the benefit of foreign capital. New York established seven per cent. as the legal rate of interest. After a time New England saw that her money was being drawn to New York in order to obtain this higher rate of interest; the Legislature of Massachusetts then very wisely fixed the rate of interest at seven and three-tenths per cent.; then, while New York was about to raise her rate of interest to that point, Massachusetts, if I mistake not, with a clear foresight, abolished all legal rates of interest. The New York Chamber of Commerce took up the matter, and recommended to the New York Legislature to do likewise.

We in Pennsylvania feel a deep interest in this matter. On the east and north of us are the States of New Jersey and New York, with interest at seven per cent.; while in Ohio, on the west of us, the rate of interest I believe is six per cent., with permission to parties to make special contracts as high as ten per cent. Now the effect on us is this: on our borders we find that money is held at the rate of seven per cent., because that is the rate that can be obtained in the States adjoining. But in the central and southern parts of the State, removed from that influence, the sturdy old farmers maintain that six per cent. is enough. They want no change in our laws upon the subject of interest, while the people of our border counties want a repeal of all usury laws.

It does seem to me no more than right that Congress should regulate this matter, as we are not able, from conflicting interests, to regulate it among ourselves. Congress has the constitutional right to regulate commerce, whether in money or anything else. And it seems to me that we do not go beyond the Constitution in asking that Congress shall regulate the value of money. Is not that power clearly within the Constitution?

Mr. HAWLEY: I apprehend that there is some question in relation to the clear constitutional right of Congress to fix the rate of interest in the several States. If that right can be made clear to my mind, then I am quite willing that Congress shall do what is proposed in the pending proposition. But unless my mind can be relieved of that difficulty, I shall be compelled to vote, and to ask this Board to vote, for the amendment referring this matter of interest to the several States. I do not recall to mind any provision of the Constitution that will justify us in asking Congress to take control of this matter. If I am mistaken on that point, I would ask the gentleman from Philadelphia, (Mr. WETHERILL,) to correct me.

Mr. WETHERILL : I am no lawyer, but simply a merchant, and I do not remember the precise language of all the provisions of the Constitution. But if I recollect it aright, Congress certainly has the right to regulate the commerce in money between the different States. And if it have that right, can it not fix the value thereof?

Mr. RICHARDS : I believe it is utterly impossible to govern a country as large as this, wisely and well, from one central point. And the only way to perpetuate this Union forever is to keep as many questions as possible within the control of the people and of the States respectively. (Applause.) There are some questions which are of national scope and importance, and which must necessarily be controlled by the General Government. But every question which can be managed by the people of the States, in my judgment, should be so managed. I am therefore opposed to the passage of any law by Congress upon this subject of interest, and in favor of recommending the subject to the consideration of the State legislatures.

Mr. HASTIE : I am very happy that my friend from Chicago, (Mr. RICHARDS,) and myself can come together upon this question. Trouble and disaster give men a vast deal of experience. At the termination of the war, we in Charleston found ourselves entirely crippled, without any securities of any kind to offer for money. The first effort we made was to secure the repeal of the usury laws. That proposition originated with the Charleston Board of Trade; and I verily believe that South Carolina would have remained to this day the wilderness it was left by the war, had we not succeeded in that way in bringing capital within our borders. But the prospect of obtaining a high rate of interest has induced capital to come among us. The result has been beyond our most sanguine hopes. It is true that at this time our banks are charging twelve per cent. interest; but there are none of those terrific outside rates, for instance, of one-quarter of one per cent a day. If parties are not willing to pay twelve per cent. interest, they send to New York, where they are charged seven per cent. But the change in our usury laws has prevented us from paying that outside rate of interest, which is charged to cover the risk of doing that which is unlawful. I believe that after a brief time we shall be able to obtain our money for five per cent.

We have the example of the greatest commercial country in the world, — England, — in regard to this matter. In England they have done away with the usury laws. And I agree with my friend from Chicago, (Mr. RICHARDS,) that this is a matter not for the Congress of the United States, but for the several States to decide.

Mr. TREZEVANT : I think, as I have before said, that there are some things that had better be left to the States. If we, of this Board, are going to usurp the power of recommending to Congress what they can do, or ought to do, I think we shall not have as much credit and influence as we desire to have. When the great men who framed our National Constitution came to act upon this question of money, they drew up and adopted one simple provision: that Congress should have the sole right to coin money, and to regulate the value thereof. That I think is the wording of the Constitution in that regard.

Now, coining relates entirely to metals — to the metallic currency of the country, and it was not intended that under the power to regulate the value of coins, Congress should usurp the power to regulate the passage of money from one State to another, or the interest upon money loaned in any State.

In the State of Tennessee we are at this moment discussing the question whether we shall or not have any established rate of interest; whether it is not better for the prosperity of our State and our people that all laws in regard to interest should be abolished.

I am not a financier; but I think my friend from Boston, (Mr. ROPES,) will bear me out in the statement that very often the intelligence is flashed from England, through the Atlantic cable, that the Bank of England has advanced the rate of interest one-half, or one, or two per cent; advancing the rate of interest from three per cent. to six or seven per cent. in the course of a few months or a year. That shows that this matter of interest is a mere matter of trade.

I think that in this proposition, we are trenching upon what I would term reserved rights. I do not wish to be discourteous, and do not intend to be so. But for that, however, I would move to lay this whole subject on the table.

Mr. JEFFRIES : I offered the resolution because I had an abiding confidence in the ability of the Executive Council. It is not my province to say whether this Board should pronounce upon the constitutionality of the proposition or not. As Congress is composed in great part of lawyers we can safely leave that question to them, and confine ourselves to making such recommendations to them as to us may seem advisable. Let Congress settle the point whether this is a constitutional question or not. It may do as it did in other cases during the late rebellion, — treat this as a war measure, and recommend it to the several States. (Great laughter.)

Mr. HAWLEY : Whatever may have been proper or advisable in time of war, it does not follow that such things are proper in time

of peace ; rather, very much to the contrary. We are, happily, now at peace. And I cannot believe that the gentleman last up, (Mr. JEFFRIES,) would, for a moment, advocate the exercise by Congress of any doubtful constitutional power in time of peace, whatever may have been proper in time of war.

One word in relation to the remarks of the other gentleman from Philadelphia, (Mr. WETHERILL,) upon the constitutional question. I think the only article of the Constitution to which he referred as giving Congress power to fix the rate of interest in the several States, was the article giving Congress power to regulate commerce between the several States. But, to my mind, that does not apply to this question at all. I think this subject is left, by another provision of the Constitution, to the several States, and the people thereof. And, for one, with this view of the matter, I could not vote for the original proposition on the official programme.

Mr. CAMPBELL : It strikes me that it is hardly worth while for us to consider this question at this time. Is it wise for us to recommend this matter to the several States? There are many gentlemen here who must recollect that in several of the new States, within the last twenty-five years a very much higher rate of interest has prevailed than in the older States. In the older States, where capital is abundant, it is a matter of very small moment whether the rate of interest is six per cent. or seven per cent. But do you wish to hamper the new States in regard to the rate of interest they shall pay for the capital necessary to develop them? Why have the new States at times legalized a higher rate of interest than has prevailed in the older States? It was for the very wise purpose of bringing capital and immigration to them. I should, therefore, be unwilling for this Board to recommend to the several States to establish an uniform rate of interest, for that would be extremely detrimental to our new States.

Mr. JEFFRIES : In reply to my friend from Detroit, (Mr. HAWLEY,) I will say that my reference to this as a war measure was of course not intended seriously. But this being a commercial body, representing the business interests of this country, it is within our province to recommend to the consideration of Congress such questions as relate particularly to the business of the country, and leave them, as lawyers, to settle all constitutional questions.

The objection I have to the amendment of the gentleman from Detroit, (Mr. HAWLEY,) is simply this: some of the States may adopt seven per cent. as the rate of interest; others may adopt six per cent., or any other different rate of interest. We in Pennsylvania

made an effort to get our last legislature to fix the rate of interest at seven per cent; but in that we failed. Now, all we ask is fair play, an uniform rate of interest throughout the United States. And if Congress can consistently with the Constitution enact a law making the rate of interest uniform throughout the United States, it would put all the States on the same footing. That is the reason why I favor the proposition. •

Mr. HAZARD: I am opposed to asking Congress to do anything of the kind, because in my opinion it is a matter that belongs to the States. Indeed, I would not ask the States to fix an uniform rate of interest. I would merely recommend to them to abolish all usury laws, which I think would strike at the root of this whole question. And if in order, I will offer a resolution which I have prepared.

The PRESIDENT: No further resolution is now in order, but the gentleman can read one for the information of the Board.

Mr. HAZARD: In New York the statute fixes the rate of interest at seven per cent., and imposes heavy penalties for any violation of its provisions. Any one taking a higher rate of interest than that fixed by the law, is liable to a forfeiture of the entire sum loaned, and to six months imprisonment besides. I think that such laws are so evidently barbarous as to be practically nugatory. They are not observed in New York at all. If a man wishes to loan money to a party at more than the legal rate of interest, he will do so, not directly perhaps, but through his next door neighbor, and in that way the law is avoided entirely. I will read the resolution which I have prepared, and which I think is all that we should pass upon this subject. It is as follows:—

Resolved, That this Board recommends that the legislatures of the several States abolish their usury laws.

Mr. LONEY: Mr. President, — Much as I would like to see the uniform rate of seven per cent. interest established over the whole country, and authority given by law to contracts for money at any price that might be agreed on, I cannot support the proposition of the Executive Council to ask Congress to pass a law superseding the usury laws of the States. I cannot give my consent to any proposition that calls on the United States Government to supersede and destroy any State laws. Why, Mr. President, if the United States Government can supersede our usury laws, they can supersede our

tax laws, our militia laws, our criminal laws, and our police laws. Our criminal courts can be turned into military courts, and our police regulations be in the hands of soldiers. I hope that this body of mercantile men will vote down promptly any proposition that looks to establishing such a precedent. Once establish this doctrine, and acknowledge the power of the United States Government to supersede our State laws, and there is no longer any use in State governments and municipal regulations. If the desired object can be obtained without establishing so fatal a precedent, it would cordially meet my approbation. The object is very desirable, but the manner of obtaining it is objectionable in the extreme.

It suggested itself to my mind that as the United States Government has established the National Banks, and consequently has power to regulate them, the desired object might be obtained through them. If Congress should amend the National Banking law so as to fix the legal rate of interest to be charged by the National Banks at seven per cent., and give them power to make contracts for money at such prices as might be agreed upon, the desired measure would be inaugurated and the several States would gradually alter their laws to conform thereto.

That was my object in seeking to offer the resolution I did some time since. As that resolution has been ruled out of order, and cannot be considered by this body, I move that this whole subject be laid on the table.

The motion to lay on the table was agreed to, upon a division, yeas twenty-seven, nays twenty-one.

Mr. KEENAN submitted the following report on the inspection and measurement of grain and flour:—

Your Committee, to whom was referred subjects numbers three, four and five, looking to the adoption of an uniform system of inspection of flour and produce, respectfully report that they have had the matter under consideration, and are of the opinion that a system of inspection adapted to the productions of our extended and diversified country and climates, affecting very materially the quality and intrinsic value thereof, is impracticable for this body to undertake, inasmuch as it would be exceedingly difficult to arrive at any uniformity of standard, would be expensive of execution, would possibly work great injury to the producer, and would detract from the merits of old and uniform established grades of grain and flour from well known localities.

They are, therefore, of the opinion, that to disturb the present system now in use would be unwise; further than that they recom-

mend the abrogation of all compulsory statutory laws regulating the inspection of the products of the country.

Number five having been partially disposed of by this Board, your Committee deem it unwise to report any system calculated to retain and make uniform the bushel for grain measurement. And your Committee therefore recommend the indefinite postponement of the subjects embraced in said numbers.

MATTHEW KEENAN,
S. H. MCCREA,
AUG'S. E. MASTERS,
EUGENE H. SAMPSON.

Mr. LONEY : I move that the report of the Committee be received and accepted ; and upon that I call the previous question.

The previous question was seconded, and the main question ordered.

The report was then received, and the recommendation adopted.

Mr. GANO submitted the following report from the Committee to whom had been referred propositions one and two of the official programme, relating to Trade Statistics and Reports, and Exchange of Reports :—

Your Committee respectfully recommend that proposition number one, on the programme, be affirmed by this Board, and that the constituent bodies be requested to take action thereon promptly, and to report to the Secretary what that action may be.

The importance of the request embodied in proposition number two, makes it necessary to urge upon the constituent bodies which have exchanges for the daily transaction of business, that they promptly comply with it ; and it is recommended that the Secretary at his earliest convenience bring this matter again before each such association, with an explanatory letter, setting forth that the object is to promote commercial interests by controlling and directing the work of reporting the markets of the country and the movement from day to day of the leading articles produced, for the use interchangeably of the various bodies. It is also recommended that the attention of the constituent bodies be directed to the question of the associated press reports, and that they be requested to consider the propriety of an

effort to organize a system of reports for the press of the respective cities in which they are located.

When the respective constituent bodies shall have responded, it is believed that a plan to carry the project into successful operation can at once be adopted; and for the purpose of arranging the preliminary details, it is recommended that a committee of three delegates be appointed by the President of the Board.

JOHN A. GANO,
WILEY M. EGAN,
A. E. MASTERS,
J. W. TAYLOR,
E. H. SAMPSON.

The report was accepted, and its recommendations adopted.

The President appointed the Committee, proposed by the report, as follows:—

JOHN A. GANO, Cincinnati.

WILEY M. EGAN, Chicago.

S. D. HARRISON, New York.

Mr. GRUBB: I move that this Board now proceed to consider together the next three propositions on the official programme; number twenty-six, duty on railroad iron; number twenty-seven, duty on salt; and number twenty-eight, revision of the tariff. All these relate to the tariff, and I move that they be considered together.

Mr. BOWDLEAR: I move to amend that motion so as to except the twenty-eighth proposition, which relates to a general revision of the tariff and revenue laws.

Mr. WETHERILL: On that I desire to say a word. By proposition twenty-six is recommended a repeal of the entire duties on railroad iron, thereby helping a class, and encouraging class legislation. There is no doubt about that; but I will not say a word about monopolies now.

The same remark may be made in regard to proposition twenty-seven, recommending a reduction of the duty on salt; because if it should be proved that these recommendations in regard to iron and salt are not just or equal upon every class of the community, then certainly we should not vote for them. We must consider the question whether the repeal of the duty on iron and salt is just or

unjust to all classes of the community, so that we may properly consider the next proposition, number twenty-eight, relating to a revision of the entire tariff.

I do not desire to inflict three long speeches upon this Board this afternoon. But I believe if we intend to discuss the question of the repeal of the tariff on railroad iron, then the repeal of the tariff on salt, and then the question of a general revision of the tariff, we shall not be able to close our labors here before some time next week.

I am perfectly willing to meet this question fairly and squarely upon its merits, but I do not think it just or right for the question of tariff or free trade to be argued upon anything like a specific article. Let us take up the question on its merits, and meet the question of free trade against tariff fairly and squarely.

Mr. TREZEVANT: I should like the attention of this Board for a moment: Memphis has but one proposition here (number twenty-six) in relation to the duty on railroad iron. I have not, thus far, trespassed much upon the patience of this body; certainly not for ten minutes at any one time.

The PRESIDENT: The Chair would suggest that before either of these propositions is discussed, the Board had better decide the motion to consider the three together.

Mr. TREZEVANT: I would ask the Board to permit the Memphis proposition to stand by itself.

Mr. TAYLOR, of Cincinnati: I desire to vote upon these propositions separately. I want to vote one way on one of them, and another way on another of them.

The PRESIDENT: That end can be reached by voting down the motion to consider them together.

Mr. BOWDLEAR: I withdraw my amendment to the motion of the gentleman from Philadelphia.

The question was then taken upon Mr. GRUBB's motion, and it was not agreed to.

XXVI.—TARIFF DUTY ON RAILROAD IRON.

WHEREAS, The great want of the South is the speedy development of her resources; and

WHEREAS, Her people, with an unanimity of spirit never before manifested by them, are looking to railroads as the surest means of securing that development by inviting population, stimulating industry,

and creating a constantly increasing demand for the multiplying forms of agricultural, mechanical and manufacturing implements ; and

WHEREAS, The duty on railroad iron is so enormous, as greatly to retard the construction of railroads ; therefore,

Resolved, That it is the manifest interest of both Government and people, that the construction of railroads should be encouraged, and that Congress is hereby respectfully asked to do this by repealing all duties on railroad iron.

Mr. HAWLEY : I move the following as a substitute for the proposition just read :

WHEREAS, The great want of the South is the speedy development of her resources ; and

WHEREAS, Her people with an unanimity of spirit never before manifested by them, are looking to railroads and to commerce as the surest means of securing that development ; and

WHEREAS, The duty on railroad and ship-building iron is so enormous as to greatly retard the construction of railroads and the building of ships ; therefore,

Resolved, That it is the manifest interest of both Government and people that the construction of railroads and the building of ships should be encouraged ; and that Congress is hereby respectfully requested to grant this encouragement by repealing all duties on railroad and ship-building iron, and on all other ship-building materials.

Mr. HASTIE : The word "South" ought to be changed to something else ; for we certainly do not ask this.

Mr. HAWLEY : It may be implied that this amendment looks to a new era of ship-building in this country, and particularly to the construction in future of iron rather than wooden ships. The most experienced men on this floor are sure that this change will soon come, and that even now the time has passed when it ought to have come ; hence I have offered this amendment to include iron for ship-building with iron for the construction of railroads.

My friend from Philadelphia, (Mr. WETHERILL,) does not seem to like the way in which this matter comes before us ; he says that it is class legislation. To that I would reply that the friends of the present tariff, and of all past tariffs, but particularly of the present tariff, have set us an example of this, and we may be compelled for a time to follow their example. For one I confess that I am a free-trader ; and I should be glad if we were prepared at once to take what I believe

to be solid ground on this whole subject. Yet all who believe in free trade can go for my proposition, because the greater always includes the less.

As I have already said, upon the general question I am in favor of free trade. I am opposed to a protective system, for I believe that this enriches the few at the expense of the many. It is an unequal method of raising revenue, for the reason that it favors particular branches of industry at the expense of others. And I will here state what at least is my conviction, that it is generally the strong and powerful branches of industry which unite and usually succeed in getting what they ask, while the weaker branches, those which perchance most, need encouragement, if any encouragement is needed by any, fail to receive it. Now we say this system of protection is unequal and unjust, and very expensive in its method of raising public revenue, in comparison with the system of direct taxation. This has been shown in years past, as I think no gentleman on this floor will deny.

Again, if I am right, it is demoralizing in its nature. It invites to smuggling and evasion of duties, and it is clear to my mind that those who yield to those temptations do violence to their own natures. I hold that we are bound to respect and obey every law that is not positively of an immoral nature, even if it is arbitrary and unequal, as long as it is the law of the land — we are bound to respect and obey it to its fullest and utmost extent. But men do not live up to their own moral convictions on this matter. They resort to all sorts of evasions; they make out false invoices, duplicate invoices, sometimes, in one of which only one-half of the packages are entered, and the rest are smuggled. These are some of my objections to the protective principle of raising revenue.

Again, I say that if the protective principle is correct, then the laboring classes, the workingmen of this country, should come in for the benefit of it. We say as the greater includes the less, so is the workingman greater than the fabric he makes; and yet the men who favor this protective system for their fabrics, are not in favor of it when they have not laborers to do their work with the measure of skill they desire, and for the price they are willing to pay. No, they are not in favor of the protective principle when it applies to the laborer, but only when it applies to the fabric which that laborer makes. But through the agency of emigrant aid societies they send over to Europe and obtain — import, if you please, — what they sometimes stigmatize as the pauper labor of Europe, to take the place of our own native and naturalized labor. Now if they use this com-

petitive principle in relation to men and women, shall not these men and women, sometimes thrown out of employment by the exercise of that very principle, be allowed the privilege of choice as to where they will buy what they want, and the quality of the articles they purchase? If they can purchase a good imported article for the same price which they are compelled to pay for an inferior home-made article, shall they not be allowed to have it? As I said, the greater includes the less.

I shall be very happy indeed, if those who are in favor of a revenue tariff, or even of a protective tariff to some extent, will nevertheless unite with the free-traders of this body and pass the resolution I have offered in relation to the materials for constructing railroads and for building ships.

Mr. TREZEVANT: I believe that it has been the practice of this body, when a given proposition is taken up for consideration, to extend a little courtesy to the member representing the Chamber from which the proposition has emanated, and to permit him to introduce and explain the measure, if explanation be necessary, before the debate upon it becomes general. I cannot forbear saying that whilst the Memphis Chamber of Commerce asks for nothing more than the courtesy extended to all the other Chambers represented here, I have been mortified to see the opposition manifested to our special proposition, even before we have been allowed to say one word in its favor. I confess I had not expected what I am sure was not meant as a discourtesy, but which was at least unkind.

Mr. HAWLEY: Will the gentleman allow me a moment?

Mr. TREZEVANT: Not now, if you please. I do not place this question at all upon the ground of free trade; I think it rises far above any such consideration as that. When examined in all its relations, it has an expansive influence that touches every foot of the continent embraced within the limits of this Union. It appeals to every man, who is the friend of progress, to come up here and aid it.

This Board has been particularly liberal and courteous in treating all questions which have come before it for consideration. There has been nothing like sectionalism, so far as the country is concerned; no political issues have been brought up here. But as we have progressed from day to day, a broad and deep liberality has pervaded all our discussions. And I feel that in considering the subject now before us, I can ask the exercise of the same charity, which will cover a multitude of short-comings.

From the earliest history all nations have fostered, and protected and encouraged the establishment of highways. That has been a part

of the fundamental law of nations. No civilized country has existed, so far as my reading extends, whose progress has not been marked to a greater or less extent by the views which it has enforced in regard to the question of highways. From the days of the earliest savage trail, to the period when the Appian Way was constructed, down to the time of NAPOLEON, when the Simplon was built, and again to the present time, the era of railroads; all countries in all ages have taken the ground that the first duty of society is to open up public highways between the constituent portions of a nation. No man has ever questioned the wisdom of that policy, nor has it ever been left to the control of public sentiment merely. It has been not only an expression of public sentiment, but in all countries it has been uniformly enforced by penal laws. The doctrine has been, — "Open your roads, clear them out, and we will see that you shall discharge your duty to the country still further by keeping those roads in order." Whether they be corduroy roads, plank roads, dirt roads, or what not, they must not be permitted to get into such a condition as to be detrimental to the public good. For that reason penal laws are passed to enforce the opening and maintaining of highways; first, as being at the foundation of social life, and next, as being in a restricted sense at the foundation of commercial life and prosperity.

As I said just now, the progress which a nation makes in civilization is measured greatly by the extent of its works of public improvement. No man is compelled by law to erect a saw-mill to saw lumber, or a grist-mill to produce flour; or to dress his wife and children in calicoes or silks; or himself to wear brogans or upper boots, broadcloth or homespun. Those are matters left entirely to his own choice. But every man is compelled by law to contribute his share to keep in repair the highway near which he lives, and upon which the community travels. No sane man has ever raised a question as to the propriety of such a course.

Then what? Am I to be told that I must contribute to the opening of a highway through my neighborhood, and that I am to be forced to pay a fine unless I aid in keeping it in repair? All that is true. Yet when the men in my neighborhood, the people of my county and of my State come together and say, "Let us build the best of all highways, one on the high dry land, where the vehicles of commerce may be moved by steam instead of by sails, by means of which commerce may most be advanced;" then the Government steps in and says, "Stop just where you are; before you build a mile of your improved highway, the best of all upland routes of travel and communication, you must pay me the sum of fifteen dollars and

seventy cents in gold for every ton of iron which you use for that purpose." You may build your corduroy roads, your plank roads, your macadamized roads, to expedite and facilitate commerce, social life and intercourse; but whenever you undertake to build the best of all highways, to construct that which shall cheapen transportation, speed commerce, increase the population, and bring wealth into the country, your government says, "Hold! pay me two thousand dollars in greenbacks before you lay a mile of that iron road. That is the law. And though I am a Southern man and a rebel, I am a law-abiding man. That is the law, and I expect to obey it until it is repealed, and I am here to advocate its repeal.

There is not a railroad in this country, projected or in operation, which is not deeply interested in this question,—not one. On my way here from Memphis, I saw half a dozen trains loaded with iron for the repair of roads; all of it is taxed at the rate of two thousand dollars a mile. It was for the use of old established roads, doing a large and extended business; and yet it was obliged to pay the same duty which other roads must pay. In the case of a projected road, of course the burden is more onerous. Suppose that a thousand miles of railroad are built. What is the amount of duty paid to the Government upon the iron used in its construction? Between the years 1850 and 1860, we built upwards of ten thousand miles of railroad in this country. What was the amount of duty paid to the Government for the iron used in its construction? It was two million dollars for each thousand miles of road; twenty million dollars for the ten thousand miles, or enough to build and equip one thousand miles of road, at the rate of twenty thousand dollars a mile.

[Here the hammer fell, the ten minutes allowed under the rule having expired. Leave was granted to proceed.]

There are forty-two thousand miles of railroad now in the United States. If they had to pay the duty to-morrow, or if from the beginning they had had to pay this duty, there would have been eighty-four millions of revenue to the Government from that source alone. And yet it is estimated that every mile of railroad built in this country develops twenty-five thousand dollars of wealth.

The States invite immigrants to come here with their muscle and brain and gold, to settle this wilderness of ours. They encourage them by all kinds of laws to come here and buy land, where the fee simple is less than the rental in Europe. What for? To develop it and build us up; because the world over, population and wealth have always made power. We invite immigrants from Europe to

come here for that purpose; and they do come, at the rate of about three hundred thousand a year. And yet when they come to build railroads they are taxed for it.

Now look at the course of the Government in regard to rivers. Why, gentlemen, but a little while ago, my friend from Pennsylvania, (Mr. WETHERILL,) voted for a thundering big resolution. (Laughter.) Let me see what that resolution was, — "That Congress be requested to make such appropriations as may be necessary to remove from the Ohio and Mississippi rivers the obstructions to the free and safe navigation of the same," etc., etc. What! vote for that? Is it right that the Government should undertake to improve nature's highways? Nature made the stream, and sometimes nature puts sand-bars and snags in it. But these obstruct commerce, and we want the country settled; and if necessary we must appropriate one or two millions of dollars for that purpose. Is it possible that gentleman voted for that? Yes, Sir, he did.

Yet when we want to build an iron road, to construct an iron river, an iron stream from Chicago to Norfolk, or from St. Louis to the far West, a stream which will have no sand-bars or snags in it; when we attempt to create an iron river, to increase the wealth and the prosperity of the country, the Government steps in and says: "Hold on, — before you build a single mile of this road, you must pay to the Government taxes at the rate of two thousand dollars a mile." Now, is that just? There is a vast distinction between iron and water, I know. But is there any difference in the results, so far as the country is concerned?

I think it has been attempted to be proved here that the rail is the great commercial feature of this country. I say if it is, then let the Government do what it should do, withdraw all obstacles to the building of railroads.

Now we have the great Mississippi river, upon whose bosom floats more commerce than upon all the rivers of Europe combined; with a navigation, including its tributaries, of twenty-five thousand miles, upon whose banks not one acre in four has yet been settled; which runs through the great cotton belt of the world; a river which, if I may use the term, is a national mausoleum, certainly a national burying ground, both of people and wealth. I say it is right to protect the commerce of that river.

Yet if you dare build a competing line by its side, or elsewhere, to do something towards developing the wealth and population of the country, the Government steps in and says, — "Pay me two thousand dollars a mile, before you can do anything."

Now let me say a word to my Pennsylvania friends. I contend if there were not a rolling mill in Pennsylvania, or if all the rolling mills now there were to stop their work, or to go to producing other things, and if all our iron were brought into this country free of duty, the people of that State would be the gainers by it. That is my belief. I do not say that I can prove it to the satisfaction of those gentlemen, because —

“A man convinced against his will,
Is of the same opinion still.”

But, I say this: the demand for iron in its various, multiplied and more valuable forms, increases as the country is opened and populated. I conversed with one of the largest iron importers in Memphis, just before I started from there to come here. He said to me, — “I sell ten dollars’ worth of machinery and agricultural implements, for saw-mills, grist-mills, and iron in its more costly and valuable forms — I sell ten dollars in the counties of Mississippi, Tennessee and Arkansas, on the line of the rivers and railroads, to one dollar’s worth that I sell in those counties that are off the line of the rivers and railroads.” By building up these roads and opening the country to settlement, you create a demand for all these valuable forms of iron. Go to some of our interior counties in Mississippi and Tennessee, and you will not be able to find a single improved plough of a modern fashion. The people have to go too far for anything of the kind, and the cost of transporting it to them is too great. A buggy plough or an improved saw-mill is what the people have never seen in some of the counties of Mississippi, seventy-five or one hundred miles from a railroad. They know nothing about such a thing; they have never conceived of it. Why? Because they are off the line of travel and progress, and do not keep up with the newspaper and the times.

Therefore I contend that the greater you make the demand for iron in all its various forms, for agricultural, mechanical and manufacturing purposes, — the greater you make that demand to be, — the better will it be for the iron men themselves.

A word or two to my friends here from New England. I say that it is for the interest of New England to foster the building of railroads all through the South, throughout that region of country upon whose cotton all your factories depend. The value of the machinery employed in spinning and weaving the raw cotton of the South, was, in 1860, one hundred and thirty million dollars. In 1857, two-thirds of the commerce of England was based upon the manufacture of the raw cotton of the South.

Now I need not tell you what you all know, that in consequence of the high price of cotton in the South, France through Egypt, England through India and Russia, propose to feed the world's spindles with cotton.

If New England will contribute to the construction of railroads in the South, which will open regions not yet penetrated by the planter, and capable of producing from one to two bales of cotton to the acre; she will have gained all she wants in this competition. We can defy the world in producing cotton, if we are furnished with the means of getting it to market. In 1860, the region of country one hundred and twenty-five miles around Memphis, produced one-sixth of all the cotton in the country. Five or six counties immediately south of us produced as much as three and a half bales to the acre, besides fifty bushels of corn and seven bushels of peas. They produced enough to feed the men and the hogs, and three and a half bales an acre for every man, woman and child. Give us the means of getting to market, and we can produce cotton, and defy India and Russia combined.

Mr. TAYLOR, of St. Paul: What is the present rate of duty upon railroad iron?

Mr. TREZEVANT: It is fifteen dollars and seventy cents in gold, a ton; in round numbers, about two thousand dollars a mile of railroad. What has the Government done to encourage and maintain sea-going ships and vessels? It gives a bounty to New England, because she has furnished the seamen of the country. What do France and England do? England grants a subsidy of five million dollars annually to steamships for carrying the mails across the various oceans, and the result is that she has thereby built up a great commercial marine. France has done the same thing. How many steamships leave New York which are owned there? Not one, out of the two or three that leave there every day.

Mr. WALBRIDGE: When we get one besides the one we are now after, we shall have two. (Laughter.)

Mr. TREZEVANT: Is not that unwise? Surely, if I understand statesmanship at all — which I do not profess to do — there should be a wide and liberal scope to our action.

Now let me say something to my friends from the great Northwest; a word or two to my friend from Chicago, (Mr. RICHARDS,) and my friend from Cincinnati, (Mr. GANO.) The Northwest is the grain producing region of this country. In 1860, what were termed the Northern States, produced twenty-one bushels of corn to the

acre; the South, including West Virginia, Kentucky and Missouri, produced thirty-seven bushels of corn to the acre. As I told you just now, in the region of country immediately about Memphis, we produced fifty bushels of corn and seven bushels of peas to the acre. If you should destroy all our commerce and cotton, we should still have enough to live upon of hog, hominy and potatoes. You could not starve us, for we could produce all the food we want.

But, friends in the North, if you want to keep good customers in the South, let us keep on raising cotton. I know enough of Southern people to know that if I say to my neighbor, "I am going to raise a large crop of corn this year," it is with the hope that he will do so, too; and then I shall go in for cotton. (Great laughter.) So you may rest assured, that if you only give us the railroads, a supply of cotton will never be wanting for your factories, and we shall be able to buy what grain we need from the region of country north of us. I told you a year ago that we were going to be a perfect barnyard; so rich that we should not know what to do with ourselves. (Laughter.)

You cannot keep down such a country as the South. Give us justice,—all that we want is justice. In 1865, when this late unhappy contest ended, if you of the North had killed the fatted calf—and you had all the fatted calves then, and we had been feeding upon the husks of grief and misery for several years—if then you had killed the fatted calf and invited us to the feast, this country would have been restored long ago. (Great applause, with laughter.) If we had had among us as friends such men as are here in this Board of Trade, with broad, liberal views, none of the reconstruction laws would have been necessary. At the feast we should not have come, it is true, as the prodigal son did, in humility and sorrow; but we should have said to you as Ruth said to Naomi: "Thy people shall be my people, and thy God my God; where thou diest I will die, and there will I be buried; the Lord do so unto me, and more also, if aught but death part thee and me." (Great applause.)

Mr. WETHERILL: Mr. President: I do not intend at this time to adopt the style of argument which has been chosen by the gentleman who has just taken his seat, (Mr. TREZEVANT,) because it is more fitting for a merchant representing merchants in a body like this, to present facts and figures to support the policy he advocates. I shall therefore at once proceed to the subject matter before us.

As I remarked a little while ago, I feared this resolution, relating simply to free railroad iron, would be widely debated; and I supposed the discussion would take an extended range, from the fact that the gentleman from Detroit, (Mr. HAWLEY,) by his amendment opened the whole subject of free trade, and that in his remarks he dwelt upon the benefits to be derived therefrom. Thus the glove has been thrown down, and the question of free trade or protection is fairly before this Board. The question before us should be a practical one. My train of thought, therefore, shall be practical.

I ask, What is free trade, and where does it exist? Is it trade without restraint? I look in vain to find it. Go to England, there is no free trade there; to France, no free trade there; over the entire continent of Europe, no free trade there. I conclude that free trade in the abstract is a theory; and a theory without a practical existence, therefore, an absurdity. And I can but conclude, therefore, that in a practical body like this, all discussion upon a theory simply, which is not and cannot be carried into effect, is only a waste of time.

I find, however, on the other side of the question, that the civilized nations of the earth have adopted as the true course, a policy which, as it produces revenue in an easy and equitable manner through the custom-house, and thereby lessens direct taxation and protects the people, can truly be called a protective policy. Any policy which adds to the revenue of the nation, and thereby helps the people to bear the burdens of the Government, is protective in the highest sense of the term; therefore, the policy pursued by nations the world over, is in this sense at least favorable to protection and not to free trade.

As a fruit of the cruel war, the country requires, in order to meet the interest on its debt and its other requirements, a certain amount of coin. I do not deem it proper to more than allude to the cause of this necessity. It is not for me to say that perhaps the distinguished gentleman from Memphis, (Mr. TREZEVANT,) or his constituents might have assisted in preventing this necessity. Fearful indeed is the responsibility resting somewhere; fearful has been the punishment attending it. But this is of the past; our duty is to remedy present evils, and to look for the adoption of measures productive of future good. Therefore, to the point before us. We find that to-day to meet the requirements of the Government, we need annually in gold, about one hundred and sixty million dollars. It would be folly for the Government to go to the South, to the West, to the North and demand that this im-

mense sum must come from the people as a direct tax in coin, to be added to the already large currency tax levied upon them. How wise, therefore, is it to distribute this sum evenly among the people, that it shall be scarcely felt by any, and thus obtain through the custom-house sufficient to meet the coin wants of the Government. We need and must have this large amount; and the best and safest way to collect it is by duties. To secure this coin, we must tax our importations, which, in round numbers, are three hundred and fifty million dollars annually, and must make them dutiable goods. The percentage of one hundred and sixty million dollars upon three hundred and fifty million dollars of dutiable articles, is about forty-eight seventy one-hundredths per cent. And just here let me say, that coming as I do from Pennsylvania, her interests dear to me, we want no better protection than this affords, if the details of the tariff are equitable and just.

A DELEGATE: I should think not.

Mr. WETHERILL: This percentage affords an ample protection to the industries of the country. The wants of the country will compel a tax of this amount to be collected, year by year, for some time to come. What folly, then, for this discussion upon the merits of so abstract an absurdity as free trade. The gentleman from Memphis, (Mr. TREZEVANT,) has said a good deal about the importance of the railroad and agricultural interests of this country. But I must remind him that we have another interest to look after, of far higher importance to the country than either the one or the other he has named. I allude to the comfort, happiness and prosperity of the laboring classes of the country. In that interest I deem it wise on the part of Congress to legislate. And if, therefore, from any cause the three hundred and fifty million dollars of importations should increase, or the coin want of the Government should diminish, so that the forty-eight seventy one-hundredths per cent. should be so materially changed as not to afford a proper protection to the manufacturing interest, then how readily can that percentage be brought to its proper figure by adding to the free list articles of prime necessity to the poor man, those considered by the pauper poor of Europe as luxuries, yet looked upon here as mere necessities. Let sugar, tea and coffee then be placed on the free list.

I rejoice to stand here to-day to maintain the dignity of labor, and to say to this Board that if, as represented by the gentleman from Memphis, the Southern laborers are satisfied with "hog and hominy," the American mechanic and the Northern laborer will not be. To this end, therefore, I would say, give the working

classes sugar at a less cost. We tax the consumers of sugar annually the sum of thirty-five million dollars, for our wants demand it. As those wants decrease, let us not remove the duty on railroad iron in order that Memphis stockholders may make larger dividends; but let us recommend the cheapening of this prime necessity. Let us cheapen, too, the poor man's coffee, and lessen if possible the ten million dollars revenue which this article now affords. Let his cup of tea cost him a little less, and let the seven million dollars annually collected from this article be reduced. As we cannot grow tea, coffee and sugar profitably in our country, and as we can produce railroad iron, why should we not make the former free from duty before we touch the latter? The accuracy of this proposition I am sure my friend from Memphis will find it difficult to deny. And I would also remind him that perhaps his colored laborers may some day become tired of mere "hog and hominy"; and it may prove good policy for him to give them a little tea, coffee and sugar at a low cost; or they may conclude that this is not a free country, and that free trade in railroad iron is of no special help to them.

But to sum up these amounts that can be safely put upon the free list: sugar, thirty-five million dollars; coffee, ten million dollars; tea, seven million dollars; spices, two million dollars; other articles which cannot be produced here, amount to seventeen million dollars more; making in all an aggregate of seventy-one million dollars, of the one hundred and sixty million dollars, which, if the country can bear it, we can safely take off. Is not this the correct policy? What advocate of free trade, even the most ardent, will deny that the first free list articles should be those that are most pressingly wanted here, and that cannot be produced by us? This is sound doctrine, and this Board would not, in my opinion, be indorsing the views of the merchants of the land, if it did not heartily support it.

In another view of the case, free trade does not come up to the proper standard. Merchants, as a class, are practical men; they judge of the future by the past; their favorite motto is, "experience is the best teacher." Test free trade from this stand-point, and the entire fabric falls. The President of this Board told us to-day, while we were considering the subject of finance, of the condition of things prior to 1828. I need not add a word to his description of the desolation of that period. Ruin everywhere prevailed; mills and furnaces were idle; land was almost valueless; stay laws and relief laws were passed to prevent universal failure; and the revenues of the Government fell far short of its expenditures. Some of us,

perhaps, remember the eloquent remarks of Mr. CLAY upon this subject, when speaking of the condition of things prior to the tariff of 1824.

[Here the hammer fell, the time (ten minutes) allowed under the rule having expired. Leave to proceed was granted.]

After a brilliant and masterly effort, Mr. CLAY thus concluded his speech:—

“In short, Sir, if I were to select any term of seven years since the adoption of the present Constitution which exhibited a scene of the most wide-spread dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824.”

He showed the blessings which the passage of the tariff of 1824, and its happy influence, diffused throughout the land: more mills built than ever; more furnaces kindled than ever; more immigration coming to our shores; our cities extending; towns everywhere springing up as by magic; and clearly proving the success of the country under its benign influence. Upon this part of the subject, Mr. CLAY said:—

“If the term of seven years were to be selected, of the greatest prosperity which this people have enjoyed since the establishment of their present Constitution, it would be exactly that period of seven years which immediately followed the passage of the tariff of 1824.

“This transformation of the condition of the country from gloom and distress to brightness and prosperity, has been mainly the work of American legislation fostering American industry, instead of allowing it to be controlled by foreign legislation, cherishing foreign industry.”

Under the influence of the tariff, New England, her representatives active and foremost in the ranks of those supporting it, placed her manufacturing interests upon a firm foundation. Thus encouraged, their success was made sure, and by means of improved machinery and greater skill, they, through its instrumentality, grew into so strong a position as to be able to compete with the markets of the world. Now they are the marked disciples of free trade; they laugh at the cost of labor; they forget the advantages they derived from protection; they overlook the interests yet in their infancy; they refuse them the sustenance they themselves but a little while ago so earnestly craved; and they now selfishly clamor for free trade. Is this right? Is this just?

I will not occupy the time of this Board in alluding to the gloom which overspread the country from 1837 to 1842, with its broken banks, suspended merchants, and prevalent distress, or to the remedy for this evil in the passage of the tariff of 1842, and the improvement in our condition attendant thereon.

I will come down to 1861, when we were, from necessity, compelled to place a duty upon almost every imported article. Through it the industries of the country were so fostered and encouraged that we have been enabled to bear a taxation unheard of before in the annals of any country, and to so grapple with the gigantic debt, which the late war had imposed, as to bring within our reach the resumption of specie payments, and to place us in a position at any time, when necessary, to call in our greenbacks, as harmlessly as when we disbanded our volunteers, — both necessities in time of war, but not needed in time of peace.

Carry out the wishes of my friend from Detroit, (Mr. HAWLEY,) give us free trade with all its promised benefits, let our labor be confined to agriculture, let us lose the advantages of our present developed labor, and my word for it, the future condition of the country would be such that, as in the past, the remedies then applied would have to be speedily resorted to.

But why should we speculate upon the future, when we can give an example of a near approach to free trade within gunshot of the home of my friend from Detroit. Let him cross to the other side of the Detroit river, and he will there find free trade to have a partial existence. Do the Canadians really enjoy it? No: for heavy as is our debt, large as are our duties to meet its interest, I honestly believe that the majority of the Canadians to-day favor annexation to this country. And I am informed that weekly five thousand immigrants come to us from Canada. Why is this, if free trade is such a boon? Cheap tea, coffee, sugar, clothing, are but an aggravation to insufficiently paid labor, and low prices do not help empty pockets. It reminds me of the old story of the Irishman, who, on his arrival in this country, asked the price of a bushel of potatoes. On being told "sixty cents," he replied "Och! that is too high; I can buy them in the old country for a sixpence." "Why not stay there, then, and buy them?" asked the merchant. "Ah!" said he, "but where was I to get the sixpence?" Yes, this is the secret; earn no money, or be scantily paid for labor, and cheap goods and free lists are of no value.

I shall now briefly take up the question more immediately before us. Shall railroad iron be admitted into this country free of duty?

To show the commencement, gradual growth and present importance of this vast branch of our industry, I will give a condensed statement of the number of tons of railroad iron made in this country, and the number of tons which we have imported since 1853. By this you will perceive the correctness of the statement of the Commissioner, Mr. DELMAR, that as we increase the duty and thus encourage home products, our commerce also improves; proving that commerce and manufactures are not antagonistic, as many foolishly suppose, but twin sisters, acting together, hand in hand. As an increase of duty at the outset lessens importations for a while, yet as the country prospers importations largely increase. This is shown by the figures in regard to railroad iron.

In 1852 not a ton of railroad iron was made in the United States. In 1853, the product was about twenty thousand tons. In 1862, a duty was placed on railroad iron of about seventy cents a hundred pounds. That year we made about two hundred and thirteen thousand tons, and imported ten thousand tons, showing that for a short time the importation had almost ceased. But the next year we made three hundred and thirty thousand tons, and imported one hundred and fifty thousand tons; the next year after that we made four hundred thousand tons, and imported two hundred thousand tons. In 1867, we made four hundred and fifty-seven thousand tons, and imported two hundred and twenty thousand tons; in 1868, we made five hundred thousand tons, and imported three hundred thousand tons; and this year, with the actual returns up to November 1, and estimates for the balance of the year, we will manufacture five hundred and eighty thousand tons, and import three hundred and fifty thousand tons. This proves conclusively that the high duty of fourteen dollars a ton on railroad iron, besides giving employment to a vast army of laborers, fed and clothed on our own soil, and making a home market for our own products, also increases commerce in this very article surely and steadily from year to year, and that both of these vital and great interests are stimulated and improved. These are facts, and the folly is with those who suppose that as we protect American industry we injure commerce.

Now what are the results of this protection? Not only does the importation increase, as yearly thousands of tons come from abroad, but capital is also attracted to the manufacture. If, as the gentleman from Memphis, (Mr. TREZEVANT,) says, the profits upon the manufacture of railroad iron are too large, will capital withhold itself from its production? No, Sir; it will build up more furnaces and more rolling-mills, and thus cheapen the price.

What was done this year in that direction? Six new furnaces have been started in New York; one in New Jersey; nineteen in

Pennsylvania; one in Maryland; four in Virginia; one in Ohio; five in Indiana; three in Illinois; five in Michigan; two in Wisconsin; six in Missouri; three in Kentucky; one in Georgia; one in Alabama, and one in Tennessee; reaching a total of sixty-four new furnaces erected in a single year. And I would remind my free trade friends in the South and in the West, that of these thirty-eight have been built by their own people, which are thus making a home market for their own produce, which now cannot be sent to the seaboard and sold at a price to pay the farmer the cost of production.

If therefore you would prevent the return of the condition of things as they existed five years ago, when in Dubuque corn was used for fuel, because it could not be sold for more than ten dollars a ton, while coal was worth twelve dollars a ton, I implore you to encourage your own manufactures.

I fear free trade for another reason, and I will be frank in stating it. Immediately after the passage of the tariff of 1828, a large meeting in the interest of free trade was held in Philadelphia, and there the idea was thrown out that the cotton planter contributed about thirty per cent. of the proceeds of his crop to pay for the protection granted to home industry. This selfish idea grew in strength, step by step and day by day spreading from one section to another. In a little while we heard of secession in the South, confined it is true to one State; but afterwards it was as openly and as vauntingly spoken of as before the late war. Is it too much to suppose that from that little cloud, no bigger than a man's hand, was produced that terrible storm of war and devastation which lately swept over and blighted the South? Is it too much to say that those seeds of discord thus early sown produced as their fruit in part the dark and dire rebellion which has left this land shattered, and its credit burdened with an immense debt, the interest of which the free trade men now object to pay through the custom-house? I hope we may never see cotton supreme again. We have felt its power; self interest is its motive. I therefore implore this Board to at once resolve that free trade shall not again sow seeds of discord among a once distracted but now united people.

MR. RICHARDS : I offer the following as an amendment : —

Resolved, That the National Board of Trade is entirely opposed to all laws designed for the protection of American industry.

The PRESIDENT : That resolution is not now in order.

Mr. RICHARDS : I am not satisfied with the ruling of the Chair. My resolution is not opposed to a tariff for revenue, but to a tariff for protection. I appeal from the decision of the Chair.

The PRESIDENT : The Chair will state the grounds for his decision. The proposition under consideration is for a repeal of the duty on railroad iron. The gentleman from Detroit, (Mr. HAWLEY,) has offered an amendment to repeal also the duty on iron and all other articles used in ship-building. Under those circumstances the Chair cannot see how it is possible that an amendment of the character of that offered by the gentleman from Chicago can be in order. The question is, "Shall the decision of the Chair stand as the judgment of this Board?"

The question was taken, and the decision of the Chair was sustained.

Mr. SAMPSON : I offer the following as an amendment to the amendment : —

WHEREAS, The present duties on the articles of iron, coal and salt, are excessive, therefore,

Resolved, That the interests of the country demand a general modification of the tariff, and reduction of the duties on iron, coal and salt ; also a large increase of the free list.

Mr. DORE : It is too true, as the gentleman from Philadelphia, (Mr. WETHERILL,) has said, that in this country, thus far, protection has been the rule. I noticed, too, that the gentleman said, "Let us have our tea and our coffee a little cheaper." But he did not go so far as to say, "Let us have our railroad iron a little cheaper." (Applause.) He is in favor of cheaper coffee and cheaper sugar, but he is not in favor of any reduction of the duty on railroad iron. And what is the reason? He does not wish to interfere with the interests of certain monopolists. What did the gentleman prove when he stated the amount of iron imported? What great sum does this article pay into the treasury of the United States? One would have supposed from what the gentleman said, that the treasury of the United States was almost entirely dependent upon the revenue derived from railroad iron.

Sir, the question of free trade is rapidly assuming almost supreme importance in this country. It concerns everybody, and is therefore entitled to the candid consideration of all. It has been maintained by the ablest men the country has produced, and so forcible have

been their arguments, that the policy of the Government has several times tended towards and receded from the principle of free trade.

And this unstable policy has not been peculiar to this country; the same instability which has characterized the policy of our own Government has characterized the policy of foreign governments. But if the case had been different with others, it would have established no precedent for us; for the abundance of raw material here, with every facility of manufacture, cheap food and ready markets may suggest a policy for this country which would not be judicious for another, under different circumstances.

We differ from Europe in this respect: the various States of this Union are all included under one government, while Europe embraces many countries under different forms of government. It will therefore readily be seen that while the industry of a country large in extent may be protected against the introduction of imposts by distance, or by the price of freights, which is incident to distance, the industry of a small country equally liable to the importation of products, may not be similarly protected to the same extent. Home manufactures subjected and liable to competition from abroad, are naturally hostile to free trade, and for this reason.

Many ingenious arguments have been framed by those in favor of protection. The manufactures of this country, as is well known, have hitherto been carried on for the most part in the New England and the Middle States. But the rapid settlement and development of the West, have made apparent extraordinary, and I may say unequalled facilities of manufacture in the valley of the Mississippi. We have water power there in abundance, and of the best quality; we have coal for the generation of steam to an unlimited extent, and we have abundant raw materials for manufactures. Hence I think it cannot fail to be seen that the question is invested, if not with a new interest, certainly with an additional interest, which in the end cannot but shape the policy of the Government in favor of the principle of free trade, except so far as duties on imports may be necessary for purposes of revenue.

I am aware, as the gentleman from Philadelphia, (Mr. WETHERILL,) has said, that it has been the policy of this government and of foreign governments to maintain that that government is the best administered which contrives to draw the money necessary for its support from the people unseen by them, and of course unknown. Some political economists have contended that that is the true policy. It is also known that the general, and I may say the universal mode of doing this is by a tariff on imports. But it should also be borne

in mind that the facility with which revenue has been collected from the people of the United States since the termination of the late war, utterly refutes the argument of the necessity of taxing a people like ours by any indirection. To assert that a nation or a people would prefer to pay a greater sum by indirect taxation than a smaller sum by direct taxation, is to asperse their intelligence. It is far more probable that an enlightened people would prefer to know precisely what they contribute for the support of the Government under which they live. Therefore, I think I may safely say that direct taxation is fair and equitable, rather than indirect taxation, which is generally levied upon tea, coffee, sugar, and such other articles as are usually consumed by all classes of the people.

Who does not know that the man of wealth has a greater interest in the stability of the Government than the man with little or no property? Where, then, the injustice of requiring the man of wealth to contribute to the support of the Government in proportion to his greater interest in its permanency, and his greater ability to pay? The Government of this country is directly responsible to the people. It cannot be doubted that it would be much more economically administered provided each member of the national legislature were made to feel that every act of his involving the expenditure of the public money would be subject to the scrutiny and criticism of the people, from whose pockets the money is to come. But our lawmakers will never be made to feel their full measure of responsibility under any system of indirect taxation.

And yet I am not one of those who indulge in the illusion that entire free trade will be adopted in the immediate future. But there can be no reasonable doubt, if there is any indication in the signs of the times, that the people will demand that the tariff shall be entirely removed from certain articles of merchandise, such as iron, etc., and greatly reduced on others.

There is another important question which demands our consideration, while engaged in the discussion of this subject. It has already, to a greater or less extent, received the consideration of this Board. I refer to the question of transportation.

It cannot be expected that there will be unity of action throughout the different sections of this country unless there is equality of interest. It so happens that the Northwest, and I may say a great portion of the valley of the Mississippi, is already protected in a great measure by distance, from the introduction of foreign goods. We have, as everybody knows, an almost unlimited market, and we also have all the facilities for manufacture. We have water power, and

we have coal; we have iron ore, copper and lead; and we have lumber, wool and cotton. And what is not less advantageous to us, we have bread and meat, not materially enhanced in value by the cost of transportation. With all these natural advantages it cannot fail to be seen that if manufactures in this country require to be protected in order to be successful, then the Northwest — and I would also include the South and the Southwest — do not require so high a protective tariff as those States less favorably situated in reference to raw material and markets.

Year after year the West has appealed to Congress to make appropriations to improve its rivers and harbors, and for the construction of the Niagara ship-canal, for no other purpose than to reduce the cost of transportation, in which we maintain that consumers are no less interested than are producers. And yet, notwithstanding that, the price of corn and wheat has repeatedly been doubled, and the prices of other food been greatly increased by reason of the cost of transportation. Yet we have found in Congress, as we have seen here, that the representatives of more than one of the States which are so strenuous for a protective tariff, have voted against making those appropriations. What has been the result? Why, Sir, the very barriers, for the removal of which we have petitioned Congress, stand no less in the way of the transportation of the products of the East to the West, than in the way of the transportation of the products of the West to the East.

Now we cannot do less than make the most of the advantages which the Almighty has given us. It cannot reasonably be expected that the great mass of the consumers in the West will willingly share the burden of protecting the interests of manufacturers in the Eastern States, when we can so easily rid ourselves of the burden by encouraging the establishment of manufactories nearer home.

If it is said that this is a narrow policy on our part, we will deny it. Or if it be controverted, we will admit it, and reply that the advocate for protection has set us the example for such a narrow and selfish policy. Yet we will ever hold ourselves ready to relinquish any natural advantages which we may possess, by reason of restrictions upon commerce and transportation, whenever the people of the East, through their representatives in Congress will join us in favoring appropriations for removing every possible obstruction to free and unimpeded transportation between the West and the East.

Mr. TREZEVANT: I desire to say that I am a compromise man, and therefore I will favor the amendment of my friend from Detroit, (Mr. HAWLEY,) to exempt from duty iron for railroads and

for ship-building purposes, for ships and railroads are alike the instruments of commerce.

Mr. HASTIE : I rise to perform a very novel duty for a man from my section of the country. We have been discussing the great question of finance, and we have determined that it is incumbent upon Congress to take some steps towards the resumption of specie payments. Our first movement, after passing that resolution, seems to be to deprive Congress of the means of doing anything of the sort, by recommending the repeal of the duty on iron, which is a legitimate tax, and which has been paid, as the gentleman from Memphis, (Mr. TREZEVANT,) has said, by forty-two thousand miles of railroad in this country. I think it would be perfectly legitimate to continue the duty on railroad iron ; and I think it would be suicidal on the part of this Board of Trade to record its vote against it. I am, therefore, opposed to the original proposition, and to all the amendments to it.

Mr. BREMER : I call for the previous question on the amendments.

Upon a division, yeas thirty-nine, nays two, the previous question was seconded, and the main question ordered.

The first question was upon the following amendment of Mr. SAMPSON, to the amendment of Mr. HAWLEY :

WHEREAS, The present duties on the articles of iron, coal and salt, are excessive ; therefore,

Resolved, That the interests of the country demand a general modification of the tariff, a reduction of the duties on iron, coal and salt ; also, a large increase of the free list.

The question was then taken, by yeas and nays, on the amendment of Mr. SAMPSON, and it was agreed to — yeas thirty-five, nays twenty-two.

During the call of the roll, explanations were made by members, as follows : —

Mr. RICHARDS : I offered a resolution for a revenue tariff simply, which I like better than this, but it was ruled out of order ; nevertheless, I will vote “yea” on this resolution.

Mr. HOW : If this resolution were for a general revision of the tariff, I would vote for it ; but as it is, I vote "no."

Mr. TREZEVANT : I suppose if I vote for this proposition, I shall have an opportunity to vote for the original proposition of the Memphis Chamber of Commerce.

The PRESIDENT : If this amendment be negatived, then the question will recur upon the amendment of the gentleman from Detroit, (Mr. HAWLEY.) And if that amendment be negatived, the question will recur upon the original proposition submitted by the Memphis Chamber of Commerce.

Mr. TREZEVANT : I will vote "yea."

Mr. WALBRIDGE : I vote "yea" for the purpose of getting at the same object desired by the gentleman from Memphis, (Mr. TREZEVANT.)

Mr. STRANAHAN : I vote "no" for the purpose of giving to Government the means to improve the Western rivers, and to do whatever else it ought to do.

The vote was as follows : —

Yeas : Messrs.—

Baskerville,	Dore,	Hooper,	Sawyer,
Bowdlear,	Dupee,	Keenan,	Seemuller,
Branch,	Egan,	Loney,	Taylor, (S. L.,)
Brigham,	Goshorn,	Morrison,	Thompson,
Brown,	Groner,	Parr,	Torrence,
Campbell,	Harrison,	Plumer,	Trezevant,
Crenshaw,	Hawley,	Richards,	Walbridge,
Cullen,	Hazard,	Ropes,	Wessel — 35.
Dawson,	Holton,	Sampson,	

Nays : Messrs.—

Adams,	Coleman,	How,	McCrea,
Allman,	Fraley,	Hughes,	Mingle,
Bagley,	Grubb,	Jeffries,	Stokes,
Barkhouse,	Hall,	Kirkland,	Stranahan,
Bremer,	Hastie,	Masters,	Wetherill — 22.
Carrington,	Herbert,		

The question recurred upon proposition number twenty-six of the official programme, as amended by the adoption of the amendment of Mr. SAMPSON.

The question was taken by yeas and nays, and the proposition as amended was not agreed to—yeas thirty-three, nays twenty-four—two-thirds not having voted in the affirmative.

During the call of the roll, explanations were made by members as follows:—

Mr. PARR: Whenever I have an opportunity to cast a vote in favor of free trade, I am happy to do so; I vote “yea.”

Mr. HERBERT: Being desirous of returning to specie payments as soon as practicable, I vote “no,” because this proposition would take too much money from the Government. (Applause.)

Mr. ROPES: Being desirous of giving in my adherence to the doctrine of free trade in a proper form, and being anxious to return to specie payments, I vote “yea.” (Applause and laughter.)

Mr. BAGLEY: I do not think it has been shown by any discussion here, how the country generally is to be benefitted by striking the proposed articles from the tariff list in preference to other articles; I therefore vote “no.”

Mr. HAWLEY: This being a step in the direction of free trade, I vote “yea.”

Mr. TREZEVANT: As I desire to reach a vote on my proposition, though I dislike to vote against this, but fearing that if this is carried mine will be buried, I must vote “no.”

Mr. HOLTON: I had prepared quite a speech on this subject, but I cannot make it now. But being on the high road to free trade, and anxious to let down my friend from Philadelphia, (Mr. WETHERILL,) as easily as possible, I will accept this small dose this year, inviting him to be ready for a larger one next year; I vote “yea.”

Mr. WALBRIDGE: Hoping to reach the proposition submitted by the Memphis Chamber of Commerce, and so ably advocated by my friend from Tennessee, (Mr. TREZEVANT,) I vote “no.”

The vote was as follows : —

Yeas : Messrs.—

Baskerville,	Dore,	Hazard,	Ropes,
Bowdlear,	Dupee,	Holton,	Sampson,
Branch,	Egan,	Hooper,	Sawyer,
Brigham,	Goshorn,	Keenan,	Seemuller,
Brown,	Groner,	Loney,	Taylor, (S. L.,)
Campbell,	Hall,	Parr,	Thompson,
Crenshaw,	Harrison,	Plumer,	Torrence,
Cullen,	Hawley,	Richards,	Wessel — 33.
Dawson,			

Nays : Messrs.—

Adams,	Coleman,	Hughes,	Morrison,
Allman,	Fraley,	Jeffries,	Stokes,
Bagley,	Grubb,	Kirkland,	Stranahan,
Barkhouse,	Hastie,	Masters,	Trezevant,
Bremer,	Herbert,	McCrea,	Walbridge,
Carrington,	How,	Mingle,	Wetherill — 24.

Mr. HAZARD submitted the following resolution as the report of a Sub-Committee of the Executive Council, to whom had been referred Dr. LAPHAM'S communication on storm signals :

WHEREAS, The subject of meteorology with reference to its influence upon the interests of commerce is attracting attention in some parts of the country, and even with limited experience it has been shown that observations on the changes of the weather foretelling the approach of storms have been attended with good results, and may, with proper encouragement, be made of increased benefit ; therefore,

Resolved, That it is expedient to initiate in the United States, a system of meteorological observations to be communicated by telegraph, with a view of predicting the occurrence of destructive storm winds, and thus prevent much of the present loss of life and property upon the ocean and the lakes.

Resolved, That the Executive Council be empowered to recommend to Congress to afford such aid to the different observatories of the

country, as will enable the astronomers in charge of them to give necessary time to the subject.

The report was received, and the resolution was adopted.

Mr. EGAN submitted the following resolutions, which were unanimously adopted :

In prospect of the early adjournment of this Board, and the departure of the delegates from this city, where they have been residing for nearly a week, the following votes of courtesy are proposed :

1. *Resolved*, That the sincere thanks of the delegates in attendance upon the second annual meeting of the National Board of Trade, are hereby respectfully and cordially tendered to the citizens of Richmond for the kind hospitality with which they have received and entertained them during their stay here.

2. *Resolved*, That the thanks of the Board are returned to the Chamber of Commerce of Richmond for the full arrangements made by its very efficient Committees for the sessions of the Board, for the personal and private comfort of the delegates, and especially for their return at reduced rates of fare to their respective homes.

3. *Resolved*, That the thanks of the Board are extended to those citizens and friends by whom the delegates were so handsomely entertained at the reception on Friday evening the 3rd inst., and at the banquet on Saturday the 4th inst.

4. *Resolved*, That the thanks of the Board are given to the gentlemen who have volunteered their services as assistant secretaries ; to the sergeant-at-arms and his aids ; to the gentlemen of the press who have reported the proceedings ; and to all who have assisted in promoting the convenience of the delegates during the sessions of the Board.

XXVII. — DUTY ON SALT.

The reduction of the present duty on foreign salt to fifteen per cent. *ad valorem*, the rate of taxation fixed before the late war.

Mr. HOW : I move that this proposition be laid on the table.

The motion was agreed to.

XXVIII. — REVISION OF THE TARIFF.

The revision of the tariff and revenue laws of the United States, so as to render them as nearly as possible, harmonious with each other, just and equal to every class of the community, and stable in all their provisions.

Mr. WETHERILL: I desire to extend the right hand of fellowship to Memphis, and to say that the Pennsylvania delegation will vote as an unit for this proposition. We believe that these laws should bear equally and justly upon all classes of the community, and be stable in all their provisions. I hope, therefore, the gentleman will be satisfied with this, and not endeavor again to bring up his special interest.

Mr. KIRKLAND: It will give me great pleasure to vote for this proposition, and I think it will pass by the requisite majority. While I believe that there are many articles in the tariff which are taxed too high for the protection of particular interests, yet when it is proposed for the benefit of any particular interest to admit certain articles free of duty, I think that is doing exactly the same that is complained of in the other regard.

Mr. HAWLEY: I move the following substitute as a compromise; and as it indicates something a little more definite, I hope this Board will adopt it, namely:

Resolved, That the reduction of the tariff to a scale of duties, which would be effective for revenue and sufficiently encouraging to manufacturers, is hereby recommended to Congress in three schedules, as follows:

First. On luxuries and stimulants, thirty per cent. on their valuation.

Second. On manufactured articles, twenty per cent. on their valuation.

Third. On all other articles, not included in the free list, including all raw materials for manufacture, coffee, tea, sugar, coal, etc., five per cent. on their valuation.

The question was taken on the substitute of Mr. HAWLEY, and it was not agreed to.

The question recurred upon the original proposition.

Mr. TREZEVANT : The proposition under consideration recommends a revision of the tariff and revenue laws of the United States, so as to render them as nearly as possible, harmonious with each other, just and equal to every class of the community, and stable in all their provisions. I move to amend by adding, —

And that the duties on railroad iron, and on iron entering into the construction of all vessels, should be repealed.

The question was then taken on the amendment of Mr. TREZEVANT, and it was not agreed to.

The original proposition was then adopted unanimously.

Mr. RICHARDS : I desire to inquire if the proposition just adopted means a higher tariff or a lower tariff? What does it mean?

The PRESIDENT : It means just such a tariff as Congress may choose to enact under this recommendation. (Laughter.)

XXX. — CONFISCATION OF VESSELS.

Resolved, That Congress be recommended to repeal so much of the law of 1799, as condemns vessels to confiscation for acts of their officers or crews, which are beyond the control of, and unknown to, their captains or owners.

Mr. SEEMULLER : Few subjects have been discussed by the Board of more importance in their bearing upon commerce than the one now under consideration.

The act of 1799 provides, Chap. 128, Sec. 50, that no goods brought from a foreign port shall be unladen or delivered from a vessel within the United States *but in open day*, except by special license from the collector; nor *at any time* without a permit from the collector and naval officer; and if any goods shall be unladen from any vessel contrary to this direction, the master, and every person, who shall be knowingly concerned in such transaction, shall be punished by fine, etc., etc.; and when the value of any merchandise so landed, according to the highest market price of the same at the port or district where landed, shall amount to four hundred dollars, the vessel shall be subject to seizure and forfeiture.

As its date imports, this act was passed at a period when commerce, compared with its condition at the present day, was in its infancy. The carrying trade of the world was done at that day principally in small

sailing vessels with limited crews, and but few passengers, and a captain *might*, perhaps, with proper vigilance, prevent at all events bulky articles to the value of four hundred dollars from going on board his vessel unless entered on the manifest.

The comparatively unprotected condition of our coast, and a custom-house department yet in a very inefficient state, may have rendered excusable the passage of a law which, although not equitable, would at once strike terror into the evil-disposed, and make special detectives of all captains arriving from foreign ports with cargoes of merchandise. If ever just, this provision of the law was only applicable to the navigation of that period. The introduction of steam is the opening of a new era in commerce, and an enlightened policy should dictate the abrogation of a law not fairly applicable to the present time, and fraught with so much positive injustice to merchants and shipowners.

The steamship *Cuba*, of the Baltimore and Havana line, was last summer condemned under this law. In her case, the illegal importation which produced the forfeiture was the landing of a parcel of cigars in charge of the engineer, which he managed to successfully conceal from the detectives, who suspected the vessel, arrested her at Annapolis, and had her thoroughly searched. This engineer subsequently confessed the smuggling, and was made a witness by the Government under a pledge of not proceeding against him.

It is very evident that a vessel employed in the same trade during the last century undergoing a similar search, could not have successfully concealed the goods in question, and although had they been found, the result so far as the condemnation of the ship is concerned, would have been the same; I make the comparison only to show that there are scores of places of concealment on board a modern steamship, and if a clerk or a waiter or a passenger should land four hundred dollars' worth of cigars or diamonds or laces, the vessel will be forfeited, no matter how pure and vigilant the officers and owners may be.

The only redress in such cases is to apply to the Secretary of the Treasury for a remission, which he is at liberty entirely to refuse. I am satisfied that the existence of this obnoxious law is not generally known to the business community here or abroad, for if it were, its evil effects upon our commerce, already so much depressed, would in many respects be incalculable.

Would not, for instance, the consignee abroad of a vessel hesitate to advance money on a bottomry-bond, were he aware of the fact that his security might be taken away from him by the act of any subor-

dinate aboard the ship, unknown to and beyond the control of the captain or owners?

Again, most of our steamship lines are joint-stock concerns, and many persons would hesitate or absolutely refuse to subscribe to such enterprises *did they know* that a ship in which it is proposed that they shall interest themselves, returning from a foreign port, may be seized and sold by the Government in case a passenger should land illegally four hundred dollars' worth of merchandise.

I do not for a moment advocate the rescinding of any law, or the passage of a new one, which shall make smuggling easy, or which shall allow any person employed aboard a vessel, from the captain down to the youngest apprentice, or any passenger, to escape punishment for evasion, or even attempted evasion, of the revenue laws.

In the name of all merchants and shipowners, I protest against the continuance in force of a law making an innocent party punishable for the misdeeds of another, whose actions it is impossible for him to control.

And furthermore, I ask for the enactment of a law which shall fix upon the actual perpetrator the responsibility for his crime; and punish with the utmost severity, those who shall be shown to have been the guilty parties in violating the law.

I also think that there should be stringent provisions *requiring* the Government to prosecute the guilty parties; for under the practice which now prevails, the Government compromises with the criminals, in order to procure their testimony, to condemn the property of innocent shipowners, by which the *officials* are enabled to receive a share of the fines.

I therefore move the following resolution:—

Resolved, That the Executive Council be instructed to memorialize Congress, and that the constituent bodies be requested to urge upon their senators and representatives in that body, to repeal so much of the Act of 1799, Chap. 128, Sec. 50, as subjects vessels to condemnation for acts of their officers, crews or passengers, which are beyond the control of and unknown to their captains or owners.

Mr. ROPES: I think this proposition must commend itself to our common-sense to such an extent that there will be no necessity for any debate upon it, and I hope it will not even lead to a division. It is a shame that a ship of the value of half a million of dollars, perhaps, should be subject to condemnation on account of the act of some petty officer. I hope the proposition will be adopted.

The question was then taken, and the resolution was unanimously adopted.

XXXI. — UNIFORM COINAGE.

The desirableness of efforts to secure uniformity of coinage among the commercial nations of the world.

Mr. HASTIE : As it is now getting so late in the session, I move to lay this proposition on the table.

The motion to lay on the table was not agreed to.

The proposition was then adopted, two-thirds voting in the affirmative.

The next proposition was an amendment to the Constitution of the National Board of Trade, as follows :—

Amend Article II, Section 2, by inserting the words : “ who shall in all cases be active members of the respective bodies which they represent,” so that the sentence will read, “ Delegates, who shall in all cases be active members of the respective bodies which they represent, shall be selected by the local organizations in such manner and for such term of not less than one year, as each may see fit.”

Mr. WETHERILL : I move to amend the proposed amendment so that it will read, “ who shall in all cases be active members *of not less than one year's standing*, of the respective bodies which they represent.” I will not press this, except so far as to offer it according to my instructions. An experience of one year in a Board of Trade or Chamber of Commerce, will certainly make a man better qualified for a seat in this body, than one who was not engaged in trade at all.

Mr. ROPES : I think that the constituent bodies can be left to decide this matter for themselves. It does not seem to me to be necessary that this Board should dictate to the local boards that they shall not send delegates here who have not been members for one year.

Mr. WETHERILL : In reply to the gentleman from Boston, I would say that we probably have a great many active Boards of Trade which meet every month, or every week, the members of which feel a deep interest in their own part of the country. But we know very

well that we have had persons on this floor who did not represent Boards of Trade at all; some of them sent here for the very purpose of defeating others who are connected with Boards of Trade. Let every one be put on probation for at least a year, and thus be fitted to meet us in these debates.

Mr. MENDENHALL: If the gentleman should move to Minneapolis and join our Board of Trade, and we should want to send him here after having been there only thirty days, would he not be able to properly represent us?

Mr. WETHERILL: I should not know what your interests were, and would not accept.

The question was then taken upon the amendment of Mr. WETHERILL, and upon a division, yeas thirty-three, nays twelve, it was agreed to.

The proposition as amended was then adopted unanimously.

The next proposition was an amendment to Article III, of the Constitution, as follows:—

Strike out Section 1, and insert as follows:—

SECTION 1. The election of officers shall in all cases be by ballot, each delegate present being entitled to one vote.

On all other questions, each delegation shall be entitled to cast, by its chairman, votes corresponding in number with the full number of delegates which the association represented by it is entitled to send.

Mr. HARRISON: I am requested by the New York delegation to move that this proposition, and the one following it, be referred to the Executive Council to be reported on by them at the next annual meeting.

The next proposition was an amendment to Article VII of the Constitution, as follows:—

Strike out Section 1, and insert as follows:—

SECTION 1. The necessary expenses for managing the affairs of the Board, shall be borne in equal proportions, by an assessment, to be made by the Executive Council, on each local association, according to the ratio of the number of delegates to which it is entitled.

The motion of Mr. HARRISON was agreed to, and the propositions were referred accordingly.

The next proposition, being the last one on the official programme, was an amendment to Article VIII of the Constitution, as follows:—

Insert the words, “or by the Executive Council,” so that the first part of the article will read:

SECTION 1. Questions or resolutions, except those which involve points of order, or refer to matters of courtesy, can be submitted only by the constituent bodies of the Board, or by the Executive Council.

The proposition was unanimously adopted.

Mr. RICHARDS, by unanimous consent, submitted the following resolution, which was unanimously adopted:—

Resolved, That this Board again affirm its decided approbation of the passage by Congress of a Civil Service Law.

Mr. WALBRIDGE: I have been requested to submit the following resolution:—

WHEREAS, International expositions, holden at London and Paris, have tended to widen the interchange of national commodities, and to advance social and commercial intercourse among the nations; therefore —

Resolved, That this Board has heard with satisfaction that citizens of Washington, in the District of Columbia, are taking steps to secure the holding of an international exposition in that city in 1871.

The PRESIDENT: It requires unanimous consent to consider this resolution at the present time.

Mr. GRUBB: Is it proposed to obtain a subsidy from Congress by means of the indorsement of this body?

Mr. WALBRIDGE: I understand the request is made in order to obtain the moral influence of this body in favor of the enterprise, and that it is not intended to have anything to do with Congress.

Mr. GRUBB: Is the matter likely to come before Congress for a subsidy?

Mr. WALBRIDGE: I have no knowledge upon the subject.

The resolution was then received, by unanimous consent, and adopted.

Mr. TAYLOR, of St. Paul: Proposition number twenty-one, of the official programme, seems to have lost its place in some way. It is as follows:—

The St. Paul Chamber of Commerce presents as a proper subject, the Northern Pacific railroad, and the importance of its early completion as a thoroughfare across the continent.

I cannot consistently allow the proposition submitted by my constituents to be passed by without some notice from me on this floor. I will, therefore, in view of the condition of the business of this Board, submit the following resolution:—

Resolved, That the Executive Council be requested to report at the next meeting of this Board, upon the subject of internal improvements by the General Government, the constitutional limits of legislation for such improvements; and whether it is not practicable to equalize the aid of the Government between the harbor improvements of the ocean, lake and gulf coasts which are the external boundaries of the country, the improvements of those navigable rivers whose channels and commerce are beyond the limits of a State, and the construction of trunk railway lines to the Pacific, which shall be central to the States contiguous to our northern and southern frontiers.

The resolution was received and adopted.

The resolutions on canal enlargement, read by Mr. HAZARD on Saturday, were referred to the Executive Council; also a series of resolutions presented by Mr. GRONER in reference to the Mediterranean and Oriental Steam Navigation Company.

The PRESIDENT: The next business in order is to act upon the recommendation of the Executive Council, that the next annual meeting of the Board be convened in the city of Buffalo.

Mr. GRUBB: I move to amend the report of the Council by substituting "Baltimore" for "Buffalo."

Mr. KIRKLAND supported the amendment, and cordially invited the Board to come to Baltimore; but

the amendment was not agreed to, and the Board decided to hold its next annual meeting in Buffalo.*

Mr. CULLEN : I beg to offer the following :—

WHEREAS, It has pleased an all-wise Providence to take from the commercial world one whose noble philanthropy knew no race or creed, and whose deeds of charity have brought joy to the hearts of millions ; therefore —

Resolved, That we have heard with unfeigned sorrow of the death of the distinguished philanthropist GEORGE PEABODY, and that we cherish his memory as one of which our whole country will ever be justly proud.

The preamble and resolution were unanimously adopted.

Mr. WALBRIDGE submitted the following :—

Resolved, That the unanimous thanks of this Board be tendered to the Hon. FREDERICK FRALEY, for the able, courteous and dignified manner with which he has presided over the deliberations of this Board.

The Secretary put the question upon the resolution, and declared that it had been adopted unanimously—which announcement was received with applause.

The PRESIDENT then addressed the Board as follows :—

Gentlemen of the National Board of Trade,— You have heard so much of my voice during our present meeting, and so much of the demonstration of my hammer, that I think you have had almost enough of me. (Cries of “no,” “no,” from all parts of the hall.)

I assure you, gentlemen, that I receive the thanks which you have just now tendered to me so unanimously, and with such cordiality, as the richest tribute to any merit which I may possess, that could in any shape or way be offered to me. From the time when you called

* An invitation to come to St. Louis, was presented by Mr. CULLEN, its delegate ; and after the adjournment of the Board, a telegram was received from the Mayor of Dubuque, inviting the Board to hold its next meeting in that city.

me to be the presiding officer of this Board, at the meeting in Philadelphia, I have always felt how unworthy I was of any such distinction.

My connection with commercial pursuits — strictly so called — was closed in the year 1840. Since that time I have been in a somewhat, shall I say, amphibious condition, for I have vibrated between fire and water. (Laughter.) But from the time I took my place in a merchant's counting-house in the year 1820, until this moment, I have never ceased to feel a most hearty interest in everything connected with the business affairs of this country. I feel that in regard to them I have a truly catholic spirit; and when I took your unanimous vote in favor of the proposition recommending a general revision of the tariff and internal revenue laws, I felt that I was concurring in the final disposition of that question in a way which would be honorable to every member of this Board, and which would show how heartily the sympathies of this Board are with and in every interest of this great country. (Applause.)

I do not think there is an agriculturist, or a merchant, or a manufacturer in the United States, who, when he looks into his own heart and determines to act squarely up to his duties, would desire anything else but fair play; equal laws as affecting every interest, and an equal administration of those laws. And if my native State be considered as the special advocate of a particular interest, in the great circle of interests which our country possesses, to wit: the protection of manufactures; let me say that Pennsylvania believes that the protection of manufactures is calculated to promote the happiness of and to benefit the people of this country. We wish to present Pennsylvania to our fellow-citizens, as a successful example of the diversification of labor, showing the true inter-dependence of all the great interests, of agriculture, commerce and manufactures.

We endeavor to promote our commerce by building ships, and sending them to all parts of the world, freighted with the productions of our own State and of others, so far as we can draw them to our commercial seaboard. We attempt also to balance the industries of our State, so that our farmers shall have, what I hope our Western farmers will soon have, their best markets within a mile of their own doors. In this way we believe that the policy of Pennsylvania is a true illustration of the great principle upon which our American fabric rests.

Gentlemen, we have had upon this occasion a very pleasant and a very useful meeting. We have looked into a great many questions of public moment; we have compared opinions, and have reached

conclusions with which I think every member will be satisfied when he comes calmly to reflect upon them. We have not pressed anything so closely as to trammel ourselves; but we have, in a way remarkable in itself, yet I may say characteristic of a body of merchants, met these questions, and arrived at a solution of them in such a manner that our deliberations will go out to the country with a weight, and yet without that fixed rigidity which would seem to compel everybody to submit to them as the dicta of the National Board of Trade. We have left our decisions open to the free examination and criticism and final disposition of the tribunals to which they are addressed, the Congress of the United States and the State Legislatures. I feel, therefore, that in being here in this goodly city, and in disposing of the questions submitted to us in the way we have done, we have performed a good, if not a perfect work.

We are now about to separate. Who can tell, in the chances and changes of this mortal life, whether the great majority of us will again be permitted to look upon each other face to face! Since our meeting at Cincinnati, death has taken away from us a valued member of this Board. And in a body composed of men coming from so many sections of our country, subjected to so many vicissitudes of climate, pursuits and accidents, we can scarcely hope that we shall all be permitted to see each other again.

But I think we shall all carry from this chamber the impressions of friendships formed here, esteem for each other's characters, and enduring relations, as something to be treasured up in our hearts. We have agreed to meet in Buffalo in December next, and I hope that a large majority of us at least may be permitted to assemble there. But if it be the order of Providence that we shall not all meet together again, I hope that we shall all meet in that higher and better world, where, with the labors of this world completed, we shall all be in the enjoyment of perpetual felicity.

I thank you, gentlemen, for the kindness which originally elevated me to this honorable position, and which for two successive sessions of the Board has continued me in it. I shall discharge my duties during the remainder of this year, and then if a kind Providence shall permit me to meet you at Buffalo, under a fresh election by my Board, by that time, as I think, I shall have fully served out my measure of duty to this body, and I shall ask to be permitted to resign the Chair to such a man as you may then select. I am sure that whoever you may select from a body like this will be a worthier occupant of the place than I am. He will probably bring to it more of youth, more of knowledge, more of capacity than I can claim to possess. For I

assure you, without the slightest disposition on my part to flatter, that I do not recognize in this Board any man who is not in many respects superior to him who now has the honor of addressing you.

Praying that every blessing that you may desire may be showered upon you, and that God will fit you for all blessings, I will bid you for the present occasion, farewell.

Mr. HAZARD : It seems to me that there is a solemn and sad duty for us to perform before we leave this place. I had hoped that some silver tongue or golden mouth here present, some eloquent member, would have done what I shall feebly and humbly attempt.

When we recollect that we are now in the centre of what was not long ago a great battle-field, that around us on every side the ground has been moistened with the best blood of the land, that all the country about here is ridged and wrinkled with the graves of the men of the North and the men of the South, who went forth to do battle for what they believed to be their duty to their country, it seems to me that we ought not to separate without shedding some tears over their graves, or scattering fresh flowers upon their quiet resting-places. All around this city, on the Chickahominy, at Fair Oaks, in the valley of the York, of the Rappahannock, of the James, lie our countrymen, and their memory should be and is dear to us. Whatever may have been their errors, I trust that the recording angel has dropped a tear upon the record and blotted it out forever.

I thought it our sacred duty, before we parted, to make this brief allusion. I have not, I trust, awakened a pang in a single heart here from the North or from the South. Although the dead were enemies in war, they are now at peace; and I hope that the living may emulate them in this respect, and from this time forward dwell in perpetual amity.

Mr. CULLEN : I agree with all that my friend has said.

Mr. HOW : I move that the Board now adjourn *sine die*.

The Board then adjourned, with three cheers for the citizens of Richmond.

APPENDIX.

P R O V I S I O N S
OF THE
CONSTITUTION OF THE UNITED STATES,
RELATING TO
COMMERCE, TRADE AND CURRENCY.

ARTICLE I.

SECTION 8. The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defence and general welfare of the United States, but all duties, imposts and excises shall be uniform throughout the United States; to borrow money on the credit of the United States; to regulate commerce with foreign nations, and among the several States, and with the Indian tribes; to establish an uniform rule of naturalization, and uniform laws on the subject of bankruptcies throughout the United States; to coin money, regulate the weight thereof, and of foreign coin, and fix the standard of weights and measures; to provide for the punishment of counterfeiting the securities and current coin of the United States; to establish post-offices and post-roads; to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

SEC. 9. No tax or duty shall be laid on articles exported from any State. No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another; nor shall vessels bound to, or from, one State, be obliged to enter, clear or pay duties in any other.

SEC. 10. No State shall . . . coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts . . . No State shall without the consent of the Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts, laid by any State on imports or exports, shall be for the use of the treasury of the United States; and all such laws shall be subject to the revision and control of the Congress. No State shall, without the consent of Congress, lay any duty on tonnage.

ARTICLE IV.

SEC. 2. The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

ABSTRACT
OF
STATE LAWS
RELATING TO
NON-RESIDENT TRADERS AND PEDDLERS.

ALABAMA. — All merchants, factors, agents or other persons residing or doing business in any other State, and selling goods, wares or merchandise within this State, whether by sample or otherwise, and whether delivered at time of sale or not, shall pay the same taxes on such sales, as resident merchants or vendors on similar sales. Failing to pay such taxes they are inhibited from bringing any action to recover the price of goods sold, and may be fined from as much as the value to twice the value of the goods. *Laws*, 1859-60, p. 12. (Subsequently repealed by Laws of 1867, p. 295.)

Auction sales of property of non-residents taxed two per cent. (Repealed.) *Laws*, 1862, p. 8.

For a peddler's license is charged for each county, if on foot, fifty dollars for articles grown or manufactured out of the State. *Laws*, 1867, p. 268.

ARKANSAS. — Whoever shall deal in selling goods, wares, etc., other than the growth, produce or manufacture of this State, by going from place to place to sell the same, is declared to be a peddler, and required to obtain a license. He must also file an affidavit that he will peddle only his own property. *Digest of Stats.*, 1858, p. 825.

CALIFORNIA. — All goods or merchandise, or any other property whatsoever brought into this State from any other State or foreign country, to be sold here, owned by any person not having an established place of business in the State, shall be subject to a tax, for use of State, of one-half per cent. on all sales. *Wood's Digest*, 1858, p. 632.

Non-residents must obtain license (by paying five hundred dollars) to sell in this State gold or silver ware manufactured out of the State. *Laws*, 1862, p. 481.

CONNECTICUT. — Every person not having a place of business in this State, or not an owner or agent of a manufacturing or mercantile establishment doing business in this State, must obtain

license to sell by sample or solicit orders for goods, etc., in this State. License to be for one year, charge one hundred dollars, to specify class of goods to be sold. *Laws*, 1867, *ch.* 119, *p.* 137.

DELAWARE. — Foot peddlers, if *bona fide* residents of the State, may have license by paying eight dollars; if non-residents, fifty dollars, for one year. *Rev. Stats.*, 1852, *ch.* 68, *p.* 191.

FLORIDA. — All merchants vending goods not the growth or manufacture of this State, (except cotton,) shall pay a tax of twenty cents on one hundred dollars of stock on hand January 1st, in each year. *Digest of Laws*, 1847, *p.* 87.

GEORGIA. — Every peddler or itinerant trader by sample or otherwise in any articles not manufactured in this State must obtain a license on terms to be imposed by the Inferior Court. *Code*, 1868, § 1625.

ILLINOIS. — All merchants and auctioneers must obtain a license, except those who pay an annual tax upon merchandise, assessed according to the revenue laws of the State. *Comp. Stats.*, 1869, *p.* 419.

INDIANA. — For a license to travelling merchants and peddlers who are not residents of this State, to vend foreign merchandise, shall be paid from five dollars to twenty-five dollars, according to amount of capital employed. Penalty four times amount charged for license. *Stats.*, (*Gavin and Hood*,) 1862, *vol.* 1, *p.* 424.

IOWA. — Peddlers' license for selling goods not manufactured in this State is required, at rates varying according to the articles to be sold. *Revision of Laws*, 1860, *p.* 126.

All cities, towns and villages are authorized to regulate and license sales by auctioneers and transient merchants within their corporate limits. *Laws*, 1862, *p.* 108.

KANSAS. — No provisions of law found in the statutes of this State, by which non-residents are taxed for privilege of selling merchandise, down to 1867.

KENTUCKY. — License may be given to a peddler who has resided one year in any county in this State. Any person who takes up a temporary residence in any town in this State, "under color of a *bona fide* merchant," to dispose of his goods, etc., of any kind, at auction,

cost or retail, shall be deemed a peddler, and must have license. *Rev. Stats., vol. 2, ch. 83, p. 27.*

No person shall sell in the city of Louisville, or county of Jefferson, by sample, card or specimen, or otherwise, any goods, etc., of any description, for, or on account of any merchant, manufacturer or other person not having his principal place of business within the State, without a license, which is granted for one year on payment of three hundred dollars. *Rev. Stats., Appendix, (Act of 1860) p. 805.*

LOUISIANA. — All merchants are required to take out a license. Non-resident members of a co-partnership pay the same as residents. *Rev. Stats., 1850.*

MAINE. — Auctioneers shall keep account of goods sold, and if sold voluntarily for benefit of parties residing out of the State, shall deduct two and one-half per cent. from the gross amount of such sales for the use of the town where the sale is made. *Rev. Stats., 1857.*

No person shall travel from town to town, or place to place, in any town in this State, carrying for sale any goods, etc., whole or by sample, without a license, under penalty of from fifty to one hundred dollars, and forfeiture of property carried, (except commission merchants and commercial brokers in the town where they reside.) License may be granted by county commissioners for one year to any person who proves a good moral character, and that he has been five years a citizen of the United States. (Fruit, fish, provisions and farming utensils, lawfully raised or manufactured in the State, excepted.) License for retail trade, ten dollars; for wholesale, twenty-five dollars. *Laws, 1866, p. 29.*

MARYLAND. — Non-residents of the State may not sell in the city of Baltimore any goods, etc., (except agricultural products and articles manufactured in the State,) either by card, sample, or other specimen, or by written or printed trade-list or catalogue, without a license, (for one year — payment three hundred dollars,) nor under the name or at the store of any licensed dealer, not being in his regular employment. Penalty, three hundred to six hundred dollars. *Code Supplement, 1868, p. 134.*

MASSACHUSETTS. — Whoever goes from town to town, or place to place, carrying or exposing for sale any goods (except agricultural products and implements, papers and books, brooms, and products of his domestic labor,) without license, shall forfeit not over two hundred dollars. License granted by Secretary of State to any one bringing

certificate by mayor of a city, or majority of selectmen of a town, that he resides in such city or town, is a citizen of the United States, and of good moral character, and on his paying from three to twenty-five dollars, for one year. *Gen. Stats.*, 1860, p. 281, 283.

MICHIGAN. — No person may travel from place to place in this State to sell or take orders for any goods, etc., by sample, list or catalogue, without a license as a hawker and peddler. License for one year — payment for travelling in any way to take orders — fifty dollars, into the State treasury. *Laws*, 1865, p. 561.

MINNESOTA. — No provisions of law found upon the subject in this State.

MISSISSIPPI. — Transient vendors or traders shall, as soon as arrived in any county for trade, be required by assessor or collector of taxes, or any justice of the peace, to give a bond for payment of all taxes due on sales, or to deposit an amount sufficient to pay taxes on stock-in-trade. The rate of tax is the same for residents and non-residents. *Code*, 1857, p. 88.

MISSOURI. — Peddlers must have a license for selling goods, etc., not the growth or manufacture of this State. Whoever goes from place to place to sell such goods, etc., is declared to be a peddler. *Gen. Stats.*, 1865, p. 417.

NEVADA. — Every travelling merchant, hawker or peddler must have a license to sell goods of any kind in this State, (except agricultural products of this State and California,) and shall pay for the same ten dollars a month. *Stats.*, 1864-'65, p. 298.

NEW HAMPSHIRE. — Peddlers and other persons going from place to place carrying to sell goods, etc., (except, etc.) must have license, for one year; if resident, ten dollars is charged; if non-resident of State, ten dollars for each county into which such goods are carried for sale; if goods are property of a non-resident, five dollars additional is charged. *Gen. Stats.*, 1867, p. 224.

NEBRASKA. — A tax of thirty dollars shall be levied upon every peddler of watches, clocks, jewelry or patent medicines, and all other wares not manufactured in the territory, for a license to peddle throughout the territory one year. *Rev. Stats.*, 1866, p. 332.

NEW JERSEY. — Peddlers must have license for selling goods, etc., not the growth or manufacture of this State. *Gen. Stats.*, 1861, p. 619.

NEW YORK. — All personal property sold at auction, or by sample or otherwise, by brokers, shall be subject to duties on sales at varying rates. *Acts*, 1866, *vol.* 2, *p.* 1186.

NORTH CAROLINA. — Riding vehicles not manufactured in this State are to be taxed one per cent. on all sales. *Act*, 1859, *Feb.* 16. Every non-resident merchant, drummer or agent who shall come into this State and sell any goods, wares, etc., by sample or otherwise, delivered or to be delivered, shall pay a tax of one-half per cent. of gross amount of sales; and must have a license given by the sheriff of the county on delivery of a bond in five hundred dollars, for payment of such tax. (Subsequently repealed.) *Laws*, 1861, *p.* 94. Auctioneers must pay a tax of five per cent. of gross sales of goods placed in their hands by non-resident merchants; if by a resident, one per cent. *Laws*, 1863, *p.* 120.

OHIO. — If any person shall vend or sell in this State, as a peddler or travelling merchant, any goods, etc., except those manufactured within this State by himself or employer, without license as a peddler, he shall forfeit fifty dollars. *Rev. Stats.* 1854, *p.* 599. Transient persons opening gift-book stores, and similar enterprises, shall pay a proportional share of their taxes, according to the regular rates, monthly. *Code*, 1868, *p.* 760.

OREGON. — No peddler may vend, sell or retail without license in this State; penalty, fine fifty dollars to two hundred dollars. County court may charge for license from ten dollars to two hundred dollars.

PENNSYLVANIA. — If any person not residing in this State and paying a license under the laws thereof, shall, within the city or county of Philadelphia, sell or exhibit for sale by sample, specimen, card or otherwise, any goods, etc., for or on account of any person not having his principal place of business within this State, and not having a license under the laws thereof, he shall be guilty of a misdemeanor, penalty, fine not over three hundred dollars, or imprisonment not exceeding thirty days, or both. (Hardware excepted in 1867.) *Laws*, 1864, *p.* 375. Every person who sells any goods, etc., not the growth or manufacture of the United States, except such as are sold by licensed auctioneers and tavern keepers, shall take out a license, according to amount of sales. Subsequently extended to all sorts of merchandise, etc., of whatsoever kind or nature. *Purdon's Digest*, 1861, *p.* 1004. Agent of non-resident may not sell by sample, order or otherwise, in the county of Lancaster, without

license. *Ib.*, p. 1005. Cities of Pittsburgh and Alleghany are authorized to provide for licensing non-residents to sell goods by sample or otherwise in said cities. Fees not to exceed one hundred dollars in Pittsburgh, and fifty dollars in Alleghany. *Laws*, 1869, p. 979.

RHODE ISLAND.— Every jobber, trader, or other person not an inhabitant of and not assessed for taxes in the town in which he would establish himself for sale of any kind of merchandise, must first obtain a license from the town council, which is for one year or less, by paying not over two hundred dollars. After carrying on business under such license for one year, no further license is required for that town.

Any person who goes about from place to place in any town or city in this State, exhibiting samples of goods (except those manufactured with his own hands, or religious publications,) and bargaining for the same by samples or orders, shall be deemed a hawker and peddler, and required to obtain a license as such, which is for one year; charge, one hundred dollars or two hundred dollars, according to the goods to be sold. (Goods manufactured in the State, by an inhabitant thereof, excepted by Statute of 1867.) *Rev. Stats.*, 1857, chaps. 119, 120.

SOUTH CAROLINA.— Revenue bill of 1864-'65, provides that a tax of twenty cents on one hundred dollars shall be paid on sales of goods by resident merchants; on sales by transient non-resident merchants, fifty cents on one hundred dollars. A similar provision is found in many of the revenue bills in this State. *Stats. at Large*, 1864-'65, p. 264.

TENNESSEE.— Peddlers must pay a tax of ten dollars in each county in which they travel on foot; if on horseback, twenty dollars; in a vehicle, thirty dollars. *Code*, 1868, Sec. 553. All merchants must have a yearly license to sell any taxable goods. *Ibid*, Sec. 678.

TEXAS.— Any person pursuing the occupation of a peddler, without first obtaining a license, shall be fined fifty dollars. *Paschal's Digest*, 1866, Art. 2083.

VERMONT.— No person shall be licensed as a peddler in this State unless he has resided in it one full year next preceding application for license. *Gen. Stats.* 1863, p. 509, Sec. 1. Any person going from town to town, or place to place in one town, carrying or exposing for sale any goods, &c., the growth or manufacture of any

foreign country, or any cotton, linen, woollen, or silk goods, or goods composed in part of either of said materials, or any plated or gilded ware, or patent medicine, grown or manufactured in any other State, or any jewelry, clocks or watches; and any person who shall come from without the State bringing any such goods, and temporarily expose the same for sale in any town in the State, at auction or otherwise, shall be deemed a peddler. *Ibid*, Sec. 2.

VIRGINIA. — Any person who sells or offers to sell any goods, etc., by sample, card or other representation, shall be deemed a sample merchant, and must obtain a license, for which shall be charged two hundred dollars. Penalty, one hundred dollars to five thousand dollars. (But a licensed merchant may sell by sample in the county or corporation in which his license issued.) No itinerant or resident person shall sell or offer for sale the manufactured products of other States or territories, or take orders for them on commission or otherwise, without taking out a license. *Laws*, 1866-'67, pp. 835, 853.

WEST VIRGINIA. — Any person acting as a hawker and peddler, or itinerant vendor of goods, etc., who shall offer such goods for sale in this State without a license, or who refuses when requested to exhibit his license, shall be fined from five dollars to ten dollars, or goods seized. *Acts*, 1866, p. 114.

WISCONSIN. — No person shall be allowed to travel from place to place within this State to sell any goods, etc., except such as are the growth or manufacture of the State, without a license as a hawker and peddler. *Rev. Stats.*, 1858, p. 390.

The above is believed to be a substantially correct statement of the provisions of law in the different States, by which non-resident merchants are taxed for the privilege of selling goods, or by which any discrimination is made against them; but in the case of some of the States, owing to the disturbances resulting from the late war, and other causes, a complete set of statutes cannot be found in the libraries to which access has been had in this investigation, and it may be that there have been additions to or changes in the provisions above set forth.

The provisions of law relating to peddling have been added, because in many of the States, not in all, they could be construed as applicable to non-resident merchants selling by sample or order.

LOCAL TRADING LICENSES.

MEMORIAL.

*The Memorial of the National Board of Trade of the United States,
to the Honorable Legislature of the State of ———— respectfully
sheweth :*

At the recent annual meeting of the National Board of Trade, held in the city of Richmond, the various local laws of different States and municipalities, by which non-resident traders are taxed for the privilege of selling merchandise, were carefully considered, and by a large majority of the membership were regarded as indefensible and wrong. These laws, in the judgment of this Board, are an infringement on the right of the American citizen to pass freely in the pursuit of his lawful avocations, from place to place everywhere within the limits of the United States ; they erect State and municipal boundaries into barriers which obstruct free intercourse and free interchange ; they thus promote sectional and local feeling, as opposed to a broad national sentiment ; they restrict local enterprise, and tend by diminishing the number of persons engaged in business, in the community in which they are in operation, and by discouraging competition, to advance prices ; and thus while vexatious and burdensome to those against whom they are enforced, they are believed to be in most cases either directly or indirectly injurious to those in whose supposed interest they have been enacted.

It would seem to be desirable for every State and for every city to attract as many persons as possible within its borders, either to buy or to sell ; the presumption being that in all business transactions, the buyer equally with the seller is to receive advantage. It would seem also to be doubly unjust, to compel these transient traders, whether buyers or sellers, to contribute by a special tax to the support of local institutions maintained for the benefit of residents and from which they derive no gain, while they have been already required to bear their full proportion of the public burdens in the localities in which they reside.

The effect of railway and telegraphic communication, so wonderfully developed in the United States, is to bring all our people together, to make them an unit socially and commercially, and for the purposes of traffic to obliterate all narrow, territorial bounds. In the view of this Board, any legislation which interferes with our

domestic trade, which makes it less free, which discriminates as between one class and another engaged in it, and which would tax the business man whenever he goes away from home, is altogether at variance with the spirit of our institutions and of the age in which we live, as well as, for reasons which have been intimated, hurtful in itself.

The undersigned, therefore, in behalf and by vote of the National Board of Trade, respectfully memorialize your honorable body to institute such measures as may seem expedient, to secure the immediate and total abandonment everywhere within your State, of all laws and regulations which discriminate against non-resident business men, or against their agents.

And as in duty bound, etc., etc.

JANUARY 20, 1870.

MARINE APPRENTICESHIP.

MEMORIAL TO CONGRESS.

To the Senate and House of Representatives of the United States, in Congress assembled; the Memorial of the National Board of Trade respectfully sheweth:

This Board would call the attention of your honorable bodies to the increasing scarcity which exists in the supply of American seamen for the mercantile marine; and would pray that in your wisdom you will devise some system by which this evil may be remedied.

For years past it has been difficult to obtain the requisite number of either officers or men for American vessels, which for this reason often have been detained after the completion of their lading, and often have been obliged to go to sea either short-handed or with incompetent persons on board, thereby incurring imminent hazard of loss of life and property by shipwreck.

In consequence of the shortness of the supply referred to, the seamen employed have consisted largely of foreigners, naturalized and unnaturalized, many of them coming from the lowest and most degraded classes in Europe; and they have been shown to be utterly unworthy to be intrusted with the safety of ships and cargoes, and especially of passengers.

The interest of Congress and of the country is at the present time warmly enlisted in devising methods for the restoration to its former prosperity and importance, of the ocean commerce of the United States, so intimately related to every branch of industry among us; and the Board would suggest that this is a fitting occasion for the adoption of measures to secure seamen who shall be American in principle, energy and intelligence, to command and to man the vessels which under wise legislation may be expected in due time to bear the national flag as in days past upon every sea.

The material to meet the existing want of seamen is to be found in the streets of all our cities, where are multitudes of boys who would gladly avail themselves of an opportunity to enter a profession offering so many inducements to the enterprising and deserving, and appealing so strongly to their love of excitement and adventure, but who are deterred from engaging in it, in some instances, because of the depraved associations into the midst of which they would be

thrown; in others, because of the absence of wholesome laws regulating treatment and providing for instruction; and again, because of the unwillingness of shipmasters to incur the trouble and vexation connected with the management of boys under the varied and inefficient apprentice laws of the several States.

This Board would therefore earnestly memorialize your honorable bodies to enact, during the present session of Congress, a Marine Apprentice Law, embodying regulations for the instruction and proper treatment of apprentices on board ship, and with suitable and adequate penalties, by which every American vessel under register, before clearance at any Custom House in the United States, shall be required to have in its crew one or more apprenticed boys, according to its tonnage. By this means it is believed that the mercantile marine would soon be supplied with competent seamen, who, under the training suggested, would be efficient promoters of the national prosperity in times of peace, and would prove reliable defenders of the flag in the event of war.

At the recent annual meeting of the National Board of Trade in the city of Richmond, this subject was fully discussed; and the undersigned were authorized and directed by unanimous vote, to submit these facts for the consideration of Congress, and to pray for the passage of such a law as has been recited.

And as in duty bound, etc., etc.

FEBRUARY 1, 1870.

A DEPARTMENT OF COMMERCE.

MEMORIAL TO CONGRESS.

*To the Senate and House of Representatives
of the United States, in Congress assembled, —*

The National Board of Trade, at its annual meeting in December last, in the city of Richmond, instructed its officers to memorialize Congress for the establishment of a new department of the General Government, to be known as the Department of Commerce, to which shall be referred all questions connected with the foreign and domestic trade, and transportation of the country.

Such a department exists in each of the great European governments, and has been found invaluable in the compilation of statistics; in the preparation of bills relating to revenue, to navigation, to the railway service; in the administration of the customs; in the inspection of steamboats and other vessels; in the management of lighthouses; in the protection of the harbors and coasts; and especially in the maintenance of a definite and permanent policy for the promotion of the varied interests of the trade and commerce of the nation.

Hitherto, all these and similar duties have been devolved upon the Treasury Department; and until the commencement of the civil war in 1861, the officer at the head of this Department was able to oversee and care for the national commerce, foreign and domestic, as well as the national finances. But since the creation of our present debt, involving the necessity for taxation in new and multiplied forms, and bringing the entire banking system of the country under the supervision of the Treasury Department, the Secretary's time and attention have necessarily been occupied almost exclusively with the pressing fiscal questions of the day, and everything relating to the administration of the tariff and revenue laws, to tonnage and to trade, has been delegated to subordinates. In the judgment of the National Board of Trade, this should no longer continue. The internal and the ocean commerce of the United States have become so vast and so important, that they require not only bureaucratic and clerical skill in the management of details, but the constant and undivided thought of an executive officer of the largest ability and widest experience. The time would seem to have arrived, therefore, for the division of

the functions of the Treasury, and for the assignment to a new Department of all the interests of trade and commerce to which reference has been made.

The National Board of Trade, in the expression of its earnest conviction on this subject, purposely abstained from making any recommendations to Congress as to the precise duties with which the proposed Department should be charged, or the precise powers with which it should be invested; it was content to point out the urgency of the measure now asked for, leaving it to the wisdom of Congress to determine the method by which the desired end may be the most promptly and efficiently attained.

In behalf and by vote of the National Board of Trade.

MARCH 11, 1870.

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ERRATA.

On page 108, line 31, for "two dollars and forty-one cents,"
read "two cents and forty-one mills."

On page 108, line 32, for "one dollar and seventy-four cents,"
read "one cent and seventy-four mills."

On page 221, line 32, for Mr. GROVER, read Mr. GRONER.

1871

REMARKS.

On page 104, line 21, the word "shall" and "and" are
read "two shall and four and will".
On page 104, line 22, the word "shall" and "and" are
read "one shall and two and will".
On page 104, line 23, the word "shall" and "and" are
read "one shall and two and will".

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